

inside... PUNDIT LOOKS AT FOOD SAFETY • WAL-MART PRICING REPORT • CANADIAN MARKET • ORGANIC BERRIES
CHERRIES • RIPENED FRUIT • SOUTHERN VEGETABLES • SOUTH AFRICAN CITRUS • MANGOS • STONE FRUIT
STATE DEPARTMENTS OF AGRICULTURE • SNACK FOODS • FLORAL TRACEABILITY

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MARKETING • MERCHANDISING • MANAGEMENT • PROCUREMENT



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*2nd Annual
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Reader Service # 6



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Porter Novelli

Reader Service # 65

THIS MONTH'S WINNER:



Sharon Smith
Purchasing Agent
Harry and David Corp.
Medford, OR

How To Win

To win the PRODUCE BUSINESS Quiz, the first thing you have to do is enter. The rules are simple: Read through the articles and advertisements in this issue to find the answers. Fill in the blanks corresponding to the questions below, and either cut along the dotted line or photocopy the page, and send your answers along with a business card or company letterhead to the address listed on the coupon. The winner will be chosen by drawing from the responses received before the publication of our July issue of PRODUCE BUSINESS. The winner must agree to submit a color photo to be published in that issue.

As a purchasing agent for Harry and David, Sharon Smith knows fruit. "There are so many entities to Harry and David, and fruit is a big part of our company. We source all kinds of fruit for our gift baskets and we grow our own Comice pears. I'm responsible for purchasing fruit for all the gift baskets," she says.

Smith has been reading PRODUCE BUSINESS for "at least five years, maybe six," she says. "As a fruit buyer, I find it incredibly helpful in finding information about new vendors, fruit availability and fruit variety. It helps me capture information on vendors I'm already working with and seeing what they have to offer. Plus, I love the photography."

Sharon appreciates the fact that every day is different when you work in the produce industry. "There are a lot of challenges since fruit is so perishable," she admits. "I buy a lot of tropicals that come from different origins. I'm constantly thinking about whether the truck is too cold, if they made it on the boat or through USDA inspections."

WIN A PORTABLE LCD TV

Haier's portable 7-inch LCD TV lets you enjoy your favorite television shows anywhere, anytime. A built-in tuner with detachable antenna provides crisp reception. A rechargeable battery offers up to 2½ hours of power.



QUESTIONS FOR THE MAY ISSUE

- 1) What are the dates for the 2010 SIAL Global Food Marketplace convention? _____
- 2) What children's character has partnered with the Produce for Better Health Foundation to encourage children to eat more fresh produce? _____
- 3) What is the contact number for Thermal Technologies? _____
- 4) Who are the two individuals in charge of transportation at Nickey Gregory Co. LLC? _____
- 5) What is the address of Sun-Maid's headquarters? _____
- 6) In what two cities does East Coast Growers and Packers Inc. have offices? _____

This issue was: ☐ Personally addressed to me ☐ Addressed to someone else

Name _____ Position _____
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WASHINGTON GRAPEVINE

A report on the inside happenings of government.

SUBMITTED BY DAVID GOMBAS, PH.D., SENIOR VICE PRESIDENT, FOOD SAFETY & TECHNOLOGY • UNITED FRESH PRODUCE ASSOC.



Technical Working Group Nearer To Closing The GAP

"In the three weeks we are harvesting, we have fifteen audits."

"I've had to hire a person just to chaperone all the audits we have each year."

"The same auditor was here three times last year, to audit us to three different standards, because our customers won't accept the same audit."

Comments like these have become common throughout the fresh produce industry. For more than 20 years, customers at every step of the supply chain have been told, for the purposes of due diligence, to verify the food safety and quality programs of their suppliers — but what they weren't told was how to do so. Consequently, in the absence of a universal standard, different parties devised their own, and in the absence of cost or consequences, audit standards that included only "necessary" requirements began to accumulate requirements that were "nice to have."

It has been more than a decade since the fresh produce industry had anything close to a uniform food safety standard, with the FDA's *Guide to Minimize Microbial Food Safety Hazards for Fresh Fruits and Vegetables*, commonly referred to as FDA's Good Agricultural Practices or GAPs Guide. Published in 1998, that document has stood the test of time, remaining the basis of dozens of GAP training and audit programs, and is still the primary GAPs guidance for most fresh produce commodities. However, the GAPs Guide was not written as an audit standard and was not accompanied by an authority with which to consult on its interpretation. Consequently, anyone who was successful in getting customers to buy their GAPs audit services became somewhat of a *de facto* GAPs authority and their interpretation of the GAPs Guide prevailed — for their customers and their auditees.

Unfortunately, in the absence of a cen-

tral authority, these GAPs audit standards gradually diverged in dozens of ways. Today, that divergence has resulted in dozens of extremely similar, yet slightly different audit standards. These multiple standards result in fresh produce auditees having to undergo — and usually pay for — multiple, redundant audits, some of which use conflicting standards fostered by years without a central GAPs authority. The main consequence of this aspect of the multiple-audit process is increased costs, often without any improvement in food safety. This results in "audit fatigue" and has begun to reach auditees' customers, who are now trying to accept their suppliers' existing audits in an effort to reduce costs, but lack an apples-to-apples rubric by which to compare the results of the different audits.

The main consequence of the multiple-audit process is increased costs, often without any improvement in food safety.

As a response to the increasing demand to stop the audit madness, the United Fresh Produce Association's Food Safety & Technology Council commissioned a working group in 2008 to devise a way to simplify and harmonize the audit process. While many in the past have tried to do just that, all have experienced only limited success in the United States. Instead of repeating this pattern, the working group chose instead to analyze why previous attempts had not succeeded, and tried something different.

The process devised by the working group required two panels. The first panel is a Technical Working Group (TWG) representing customers, suppliers, government, audit companies and produce association officials from a broad scope of produce commodities, operation sizes and producing regions. Additionally, to ensure no criticism of actions taken without full involvement and disclosure, the TWG requires a continually open and active invitation to all stakeholders.

The second panel is a smaller, but influential Steering Committee of major industry representatives with the ability to drive broad industry acceptance of common standards. The Steering Committee endorsed the following vision and goal:

Vision: *Develop a harmonized food safety standard and checklist for GAP audits and globally-acceptable auditing process, necessary to protect consumers from potential hazards that may contaminate produce at that stage of the supply chain, and that will build efficiencies into the supplier audit process.*

Goal: *One audit by any credible third party, acceptable to all buyers.*

Every bit the Steering Committee's counterpart, the TWG, which now numbers more than 100 food industry professionals, has been hard at work developing a harmonized standard. Rather than create another standard from scratch, the TWG invited all of the major existing GAP audit organizations, standard owners and commodity guidance documents to "donate" their standards for consideration. The TWG is currently in the process of considering the wording and standards in each and selecting the elements best suited to meet the Steering Committee's vision.

The work of the TWG will not be complete until a standard has been developed that takes into consideration all types of fresh produce GAP operations: by commodity, region, size and type of production practice.



Tale of Two Chains

Here is a tale of two large retailers, each proclaiming its interest in sustainability. Both are large chains; both have various pilot efforts; both an extensive supply chain. Though there are many similarities, a few minutes with each and an obvious difference surfaces. One is heavily focused on ordering its supply chain to do things and sees the results of its sustainability push primarily in terms of what it gets these suppliers to do. The other retailer, though collaborating with its supply chain on many sustainability issues, primarily sees sustainability as something it has to do itself.

It is that distinction — between sustainability as something imposed on others and sustainability as a primarily self-referential activity, embraced by associates and engaged in because it is so compelling — that one finds the crucial reason PRODUCE BUSINESS honors Safeway with its Second Annual Retail Sustainability Award.

In many ways, Safeway, at least among large chains, is the most ideally suited to embrace sustainability. In the first place, its clientele, especially now that almost all stores have been converted to the Lifestyle format, do not merely skew upscale, but psychographically are more inclined to value a commitment to sustainability. The fact that so many of its stores are in California, where electricity is expensive, makes many alternative energy options feasible. Finally, its Bay Area headquarters assures a roster of employees relatively well versed in the ethos of corporate social responsibility and environmentalism.

Of course, a company can be perfectly positioned to take advantage of something and neglect to do so, so credit is due to Safeway's corporate leadership for stepping up to the plate. You know Safeway is different when you learn that a person whose job focuses on "leadership development" coordinates its sustainability effort, because sustainability, in this way of thinking, is integral to leading every effort in the company. There are a lot of buzz words related to sustainability in produce: Organic, local, etc. — and Safeway engages with these terms as well. In the end though, sustainability, must depend on the intersecting of three responsibilities: environmental, social and economic. So imposing metrics doesn't really make much sense because it is easy to meet any particular metric. What is hard is

to do so without violating the other responsibilities.

In other words, set up any group of environmental standards that you choose, tell a vendor he can't get business without meeting them, and he will meet them — but maybe at the price of economic viability or at a cost to social engagement.

Safeway's interpretation of sustainability neither involves a strict vendor metric nor does it involve a distorted vision of sustainability that some retailers have adopted that sees the whole thing as a massive cost-reduction program. Safeway is not averse to profiting from sustainability, and the decision to invest in solar panels, fuel cells or wind energy is carefully monitored to ensure it makes financial sense. On the whole,

though, Safeway engages in sustainability almost as a form of higher consciousness in which, through acute observation of its own business practices, it discovers opportunities for greater efficiency.

In a world filled with green-washing, where some retailers issue more press releases than they have accomplishments, Safeway is reticent about tooting its own horn. Yet, its accomplishments, expressed on its Web site, are impressive: "Safeway was the first and only retailer to join both the Chicago Climate Exchange (CCX), the world's first and North America's only voluntary, legally binding greenhouse gas emissions reduction registry and trading program, and the California Climate Action Registry, the state's official registry for greenhouse gas reduction projects in 2006. Currently Safeway is working with both organizations to develop our carbon baseline. Through CCX, Safeway is legally committed to reduce its carbon footprint by 6 percent from its 2000 baseline by 2011."

The sustainability movement is in a bit of flux right now. It is not 100 percent clear how sustainability differs from a good management practice; it is not 100 percent clear how companies can balance the trend to achieve environmental accountability with sustainability's requirements for social and economic engagement.

What is clear is that Safeway has leveraged the enthusiasm of its people to carve its own way through the forest of sustainability. And that enthusiasm of people doing things because they are so compelling is, in fact, the root of a successful sustainability program. PRODUCE BUSINESS is proud to present Safeway with its Second Annual Retail Sustainability Award.

**You know
Safeway is
different when
you learn that a
person whose job
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TO-JO MUSHROOMS AVONDALE, PA

Matt Lucovich was hired as director of sales and marketing. He will be responsible for fresh retail and foodservice sales as well as sales of processed products. He previously worked for Creekside Mushrooms for 11 years, holding many positions throughout the company, including growing, operations and food safety and security functions.



PLANTATION SWEETS COBBTOWN, GA

Rick Stock was hired to the sales staff and will work with a variety of commodities, including Vidalia onions, sweet corn and sweet potatoes. He is based in Loveland, OH, and will handle sales in the Northeast, Mid-Atlantic and Midwest. He most recently worked as the general manager for Castellini Companies.



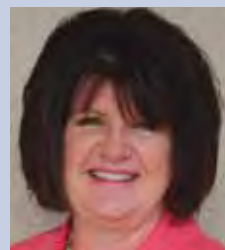
RUSSET POTATO EXCHANGE INC. BANCROFT, WI

Kevin Wright has assumed the newly created position of director of sales operations. His duties will include overseeing day-to-day operations, including transportation, logistics, customer service and vendor managed inventory programs and sourcing. His experience includes more than 20 years with Supervalu in regional and national positions.



FRUIT PATCH DINUBA, CA

Jeannine Martin has joined the sales team. She brings more than 35 years of product knowledge and has worked in all facets of the industry. She most recently worked for Simonian Fruit Company, and, in 2005, she became one of the first women to head the sales department of a major grower/packer/shipper of tree fruit and table grapes.



Troy Thompson was hired as an account manager. His responsibilities will include managing sales for new and existing retail and foodservice accounts. His experience includes 20 years in sales, most recently as a marketing associate with Sysco Foodservice -- Baraboo.



UNITED STATES POTATO BOARD DENVER, CO

Don Ladhoff will lead the retail efforts of the Domestic Marketing Program. He will provide key input to strategy and guide the tactical execution of the program. He most recently served as the president of BrandForce, a full-service marketing agency he founded in 2008 that assisted clients such as Butterball, Chiquita and T-Mobile.



NATURIBE FARMS NAPLES, FL

Robert Verloop was appointed to executive vice president of marketing, a newly created position. His duties will include advancing important marketing-related strategies. He joined Naturipe in 2008 after he served in a series of senior-level marketing positions at Sunkist, buyproduce.com and the California Avocado Commission.



COASTLINE SALINAS, CA

Jim Gipe was hired to the sales team. His duties will include participating in on-going efforts to produce quality products and provide excellent customer service. He brings more than 17 years of experience in the fresh produce industry, most recently having spent six years at Dole. He brings an extensive amount of product knowledge and a deep understanding of the market.



Brian Bocock was named to the newly created position of vice president of product management. He has worked for Naturipe since its inception and has worked as vice president of sales since 2003. Prior to Naturipe, he held a number of sales-related positions at Global Berry Farms, the predecessor to what is now Naturipe.



A&A ORGANIC MARKETING INC. WATSONVILLE, CA

Bernadette Walker was hired as a sales associate. A recent graduate of Cal Poly San Luis Obispo, she brings food experience from her recent work as a marketing coordinator at U.S. Agriseeds. She is positioned to be a key part of the branding efforts at A&A, as well as an important part of the daily sales campaign.



Jim Roberts was promoted to vice president of sales. His duties will include leading customer development initiatives and advancing growth with strategic accounts. In 2004, he was hired as Naturipe's Northeast account manager before becoming senior director of sales in 2007. He previously worked at Albertson's and Shaw's Supermarkets.



Darrell Beyer was hired as a sales associate. His duties will include sales of A&A Grower's commodities and establishing broker deals with citrus and avocados. He brings experience in fresh produce and has worked for Sundance Natural, Fresh Directions and Pure Pak.



Produce Watch is a regular feature of Produce Business. Please send information on new products, personnel changes, industry, corporate and personal milestones and available literature, along with a color photo, slide or transparency to: Managing Editor, PRODUCE BUSINESS, P.O. Box 810425, Boca Raton, FL 33481-0425, or e-mail us at info@producebusiness.com

ORGANIC ITEMS

San Miguel Produce, Oxnard, CA, has added six new items to its Cut 'n Clean Greens line. Organic products include Rainbow Kale (blend), Garden Greens (blend), Rainbow Chard (blend), Hearty Greens (blend of collard and kale) and Collard and Mustard. All are available in 8-oz. or 7-oz. clamshells.



Reader Service No. 300

ABSORBENT POUCH FILLING SYSTEM

Maxwell Chase Technologies, Atlanta, GA, now offers its new high-speed MCT Absorbent Pouch Filling System, which has been specifically designed to automate the process of weighing, filling and sealing fresh-cut produce into MCT absorbent pouches, resulting in a dramatic improvement in shelf-life of 12 to 18 days for fresh-cut fruits and vegetables.



Reader Service No. 302

NEW APPLE VARIETY

FirstFruits Marketing LLC, Yakima, WA, unveiled Opal, a new apple variety grown in Washington and recognized for its bright yellow color with hints of orange blush. Its key attributes are a crunchy texture and sweet flavor with a Brix of 15-18. The marketing campaign for Opal has coined them "a new American jewel."



Reader Service No. 304

SALADWORKS NAMES SEASONAL SALADS AFTER ITS FANS

Saladworks, Conshohocken, PA, announced the winners of its Create-Your-Own Powerhouse Salad Contest, which asked fans to submit their own Powerhouse Salad creation based on ingredients from the new True Nutrition menu. The chosen salads, Lorrie's, Dana's (pictured) and Joan, were named after the winners and will be sold in Saladworks locations.



Reader Service No. 306

SCHNUCKS HOSTS FRIEDA'S SPECIALTY CITRUS CLASS

Schnucks, St. Louis, MO, hosted Frieda's Produce University, a fun, hands-on way for consumers to brighten up their winter with delicious varieties of specialty citrus. The 8-hour open house took place at all Schnucks and Logli locations in Missouri, Illinois, Indiana, Wisconsin, Iowa, Tennessee and Mississippi.



Reader Service No. 308

CRUNCH PAK PARTICIPATES IN NYC SHOWCASE

Crunch Pak, Cashmere, WA, is working to increase consumer awareness for its fresh-cut sliced apples by participating in a new food products showcase for national media outlets. The event, held March 24 in New York City, brought food and new product writers from magazines, TV, newspapers and online media, together to sample new food products. Crunch Pak showcased multiple items, including its BK Fresh Apple Fries and Disney Garden Foodles.



Reader Service No. 310

NEW PRODUCTS

FLAVORED ALMOND SNACKS

Mariani Nut Co., Winters, CA, has introduced a new line of flavored almonds. Packaged in convenient, 6-oz. resealable bags, initial flavors include Wasabi & Soy, Honey Roasted, Roasted & Salted and Natural. The new line of whole, flavored almonds helps retailers capitalize as more consumers recognize the heart-healthy benefits of almonds.



Reader Service No. 301

ORGANIC SEED POTS

Global Organic Specialty Source, Sarasota, FL, is now carrying a line of local Florida organic seed pots from Bethel Farms. The seed kit comes in several varieties of herbs and vegetables, and includes organic seed, fertilizer and a set of OMRI-listed 100 percent organic/biodegradable seed pots.



Reader Service No. 303

RESTAURANT-STYLE SALAD KITS

Misionero Vegetables, Gonzales, CA, has expanded its Garden Cuts line by launching a new line of restaurant-style salad kits. The kits are available in four varieties: Iceberg Wedge, Romaine Caesar, Butter Wedge and Cosmopolitan. Each kit contains lettuce, dressing, condiments and toppers.



Reader Service No. 305

ANNOUNCEMENTS

RESEARCH COVERS IMPACT OF MANGOS ON CANCER CELLS

The National Mango Board, Orlando, FL, announced findings from a study conducted at Texas A&M University, which showed the polyphenolic compounds found in mangos negatively impacted certain colon cancer and breast cancer cells. This study is the first step in building a body of research that may bolster the board's marketing efforts with a stronger nutrition message for consumers.



Reader Service No. 307

DOMEX SUPERFRESH EXPANDS MARKETING EFFORTS

Domex Superfresh Growers, Yakima, WA, is working to get its apples and pears onto cruise ships sailing from Miami, FL. With increased awareness of their health, cruisers are looking for healthful snacking options, and apples and pears offer them a convenient and familiar way to do that. The varieties sold to cruise lines are Red Delicious, Golden Delicious, Granny Smith, Gala apples and D'Anjou pears.



Reader Service No. 309

OCEAN MIST FARMS TO UNVEIL NEW PACKAGING AT CPMA

Ocean Mist Farms, Castroville, CA, will unveil a re-design of its bilingual packaging for all fresh vegetable commodities at this year's CPMA. Ocean Mist focused on three areas of improvement: produce visibility, nutrition information and consistent graphic design. The features of the new bilingual packaging design are based on consumer research and input from retail partners.



Reader Service No. 311

DUDA FARM FRESH FOODS ADDS RECIPE PAGE TO SITE

Duda Farm Fresh Foods, Oviedo, FL, launched Fresh Family Meal Make-Over, a featured page on its Web site showcasing how-to videos for nutritious recipes in recognition of National Nutrition Month. The videos feature Veronica Moister (pictured), a certified nutritionist, life coach, personal trainer and busy mother of three.



Reader Service No. 312

PRODUCE GROUPS TEAM UP WITH SOMERSET MEDICAL CENTER FOUNDATION

Somerset Medical Center Foundation, which raises funding for the Somerset Medical Center, in Somerville, NJ, joined the Eastern Produce Council during its monthly dinner meeting at The Manor in West Orange. The March 16 meeting was sponsored by the California Strawberry Commission and Earthbound Farm.



Reader Service No. 313

INDUSTRY VETERANS FORM BLACKWATER PRODUCE

Veterans Harry Sheaffer, Steve Sterling and Sean Cornelius formed Blackwater Produce LLC, of Lake Park, GA, on February 17. All three were previously with Marker 29 Produce Inc. The partners will continue operations in Florida, North Carolina and Michigan. Blackwater has partnered with The Coggin, a farming operation.



Reader Service No. 314

CAMA DEVELOPS MOTHER'S DAY PROMOTION

The Cameo Apple Marketing Association, Wenatchee, WA, has introduced a Mother's Day promotion with in-store signage and recipe pads featuring an omelet filled with Cameo apples and Brie cheese for use on retail shelves during the weeks leading up to Mother's Day. Spring continues to be a significant opportunity to grow apple category sales by emphasizing the Cameo variety.



Reader Service No. 315

MAMAMIA ENTERS THE MEXICAN HASS AVOCADO MARKET

MamaMia Produce, East Rutherford, NJ, introduces its MamaMia brand Mexican Hass Avocados. The company has been growing, packing and shipping Hass avocados from the Dominican Republic for years. In December, the company will have the option to offer its customers product from the Dominican Republic or Mexico.



Reader Service No. 316

FORTUNE 500 RANKS CH ROBINSON NO. 1 IN TRUCKING, TRANSPORTATION, LOGISTICS

C.H. Robinson Worldwide Inc., Minneapolis, MN, was not only included on *Fortune's* 2010 list of World's Most Admired Companies, but was ranked No. 1 in the Trucking, Transportation and Logistics category. The magazine's selections were based on nine criteria ranging from investment value to social responsibility.



Reader Service No. 317

MANN PACKING OFFERS MULTIPLE SPRINGTIME PROMOTIONS

Mann Packing Co., Salinas, CA, launched multiple promotions to support its sales program. The 3-month long promotions include redeemable coupons on a variety of products, including 8-oz. Stringless Sugar Snap Peas, 6-oz. Snow Peas, Mann's Sweet Potato or Butternut Squash products and Mann's Broccoli.



Reader Service No. 318

GLOBAL ORGANIC PARTICIPATE IN FIGHT AGAINST CANCER

Global Organic Specialty Source Inc., Sarasota, FL, participated in the fight against breast cancer by donating a portion of all February sales of Pink Lady Apples to Susan G. Komen For the Cure. Thanks to the great efforts of Global Organics' sales team and strong support from customers throughout the Southeast, more than \$1,200 was raised.



Reader Service No. 319

NYAA, GROCERS TEAM UP TO FIGHT CANCER

The New York Apple Association, Fishers, NY, and New York apple growers, on behalf of the 42 participating supermarket chains, have once again donated \$25,000 to the American Cancer Society as part of an ongoing effort to help fight cancer and raise awareness of the cancer-fighting benefits of eating apples.



Reader Service No. 320

OCEAN MIST PARTNERS WITH CALIFORNIA BUTTER

Ocean Mist Farms, Castroville, CA, partnered with the California Milk Board on a cross-promotion for the month of April. The offer included an instant redeemable coupon for 55 cents off any purchase of California butter with the purchase of an Ocean Mist Farm artichoke. More than 500,000 IRCs were affixed to artichokes sold in Western California retail stores.



Reader Service No. 321

VIDALIA SWEET ONIONS AND SHREK TEAM UP TO BOOST SALES

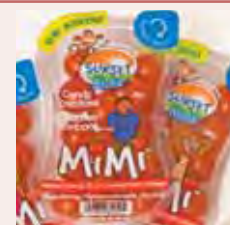
The Vidalia Onion Committee, Vidalia, GA, has partnered with DreamWorks Animation, SKG Inc., to promote the original sweet onion in conjunction with the release of *Shrek Forever After*, premiering May 21 nationwide in 3D, Imax and other local theaters. Produce managers are invited to build Shrek and Vidalia onion in-store displays. The most creative entry will win a three-day, two-night fairytale vacation for four to Orlando, FL, including theme park admission and more.



Reader Service No. 322

MASTRONARDI PRODUCE/SUNSET EARNS INNOVATION AWARD

Food & Beverage Magazine announced its 2010 Innovation Award Winner and Mastronardi Produce/SUNSET, Kingsville, ON, took top honors in the Kid-Friendly Produce Innovations category, thanks to the company's emphasis on flavor, unique size, shape and affordability. The awards were given to companies that have gone above and beyond expectations in innovations.



Reader Service No. 323

Produce Watch is a regular feature of Produce Business. Please send information on new products, personnel changes, industry, corporate and personal milestones and available literature, along with a color photo, slide or transparency to: Managing Editor, Produce Business, P.O. Box 810425, Boca Raton, FL 33481-0425, or e-mail us at info@producebusiness.com

NEW ENGLAND RETAILER OF THE YEAR AWARD

PRESENTED AT THE NEW ENGLAND PRODUCE CONFERENCE ON APRIL 24, 2010,
BY PRODUCE BUSINESS AND THE NEW ENGLAND PRODUCE COUNCIL



*Excerpt from the speech by
Ken Whitacre, publisher and
editorial director of
PRODUCE BUSINESS*

A strong work ethic. A passion for produce. A knack for getting value for his customers. These are just a few of the ways colleagues, co-workers and competitors describe this year's 6th annual New England Produce Retailer of the Year. This is an honoree that you – the members of the New England Produce Council have chosen – and that PRODUCE BUSINESS is pleased to award today.

Like the first five recipients of this award – Paul Kneeland, Jack Salamon, Domenic D'Antuono, Will Wedge and Mike Giza – this year's honoree began his career in the produce industry at an early age. His first job, given to him at age 16 by a store manager of the chain where he would work for more than 40 years, was to cut the lawn in the front of the store.

This gave him a foot in the door and the rest, as they say, is history.

He soon moved up to bagging part-time, then clerking part-time in produce, and in 1970, to he moved to full time produce clerk for the princely wage of \$2.50 per hour. Over the years, he climbed the career ladder to produce supervisor, buyer and head buyer. He is now running the entire produce operation as director of produce and floral for the 62-store chain.

This career trajectory is something his supervisor, the director of operations for the chain, applauds and describes this way: "He is a wonderful person. Fun to work with and, at the same time, he is serious and capable when it comes to work."

Our honoree's work ethic and dedication to the job has revealed itself in many ways. In fact, his colleagues call him a "24-hour produce guy." He's in the office at 4 am, home after six in the evening, six days a week and talks about produce while he grills the family dinner on Sundays.

He often takes his grandson to work with him on Saturdays. "It's the family joke," says his son, "that my nephew will walk in and tell the produce manager where he needs a color break. My father is building those produce industry roots right down to the next generation."

Colleagues also remember more than one occasion when weather or other problems held up a delivery and our honoree would load up his Ford truck with as much produce as possible and drive it to stores, sometimes

as much as two hours away.

Work or play, he shows his passion for produce in many ways. A colleague offered these comments: "I met him when I was a produce manager and he was a district supervisor. He is extremely knowledgeable, a stickler for details and knows the industry inside and out. He's also a good teacher. I always learned something from him. When I moved up to buyer, he taught me the ropes."

Even on vacation, our honoree can't stop thinking about produce. "He'll go out and visit competitors' stores and maybe a grower or packer where he's staying," says one colleague. His son, who also is in the business, adds that it's usually only three to four days into a week-long vacation before he gets a call from his Dad to ask, "What's the market doing?"

One trait many in the industry noted about our honoree was his knack for value, his unique way of getting value from a manufacturer and a deeper deal for the customer.

A vendor put it this way: "He's a master at squeezing extra money out of people. There's no bull, though. If he tells you he can move X amount of produce and give you X ads and a certain amount of display space for X price, he does it. That's how he's built so many good relationships in the industry over the years."

Outside of work, sports are also a consuming passion. For example, his sons recall how their father not only attended their football and baseball games, but also coached the team. "My father always made time for his family," one son asserts. "For example, we'd see him up by the car in the parking lot on his cell phone finishing out the day. Then, he'd come hit a ground ball in his suit and tie."

He's a Red Sox and New England Patriots fan, an avid boater with a second home on Lake Winnepesaukee and a budding golfer. The only thing remotely negative friends would say about our honoree is that he thinks he is good enough to get his golf handicap down to 10.

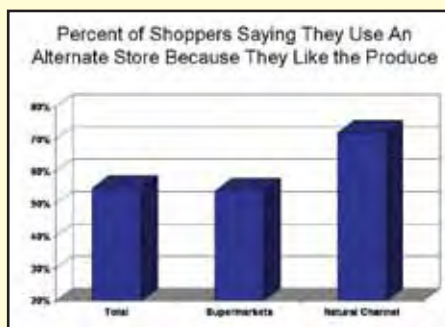
Ladies and gentlemen, please join me in congratulating the 2010 New England Produce Retailer of the Year – **Michael Maguire of DeMoulas Market Basket.**

Fresh Produce and Variety Can Drive Store Traffic and Build Loyalty

A new study by The NPD Group, shows 58 percent of primary household shoppers report that liking a store's produce is one of the reasons they regularly shop at a particular store. Having consistently fresh produce and a wide selection is of great importance to getting these consumers to walk into the store. Furthermore, the emphasis on produce grows as we age. When looking at consumers 65 and over, liking a store's produce as a main reason for loyalty rises to 62 percent among primary shoppers.

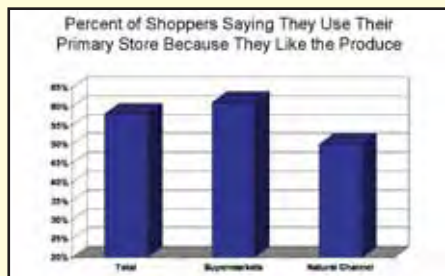
This research, an example of the Shopper Insights available from NPD's National Eating Trends service, which has tracked the daily eating habits of Americans based on their personal food diaries since 1980, also reveals some channels are doing much better at attracting these consumers than others. For instance, a greater percentage of shoppers who are more loyal to conventional supermarkets/grocery stores say they like the produce at those stores more than shoppers of natural/gourmet stores who specialize in organic produce. At first it seems counterintuitive, but peeling back the layers of the onion shows that the natural channel is best at attracting people who are looking for unique items as well as organic food and beverages. However, this channel also pulls in produce-minded consumers who may be loyal to other food channels, but are willing to shop around for produce. This still emphasizes the importance of produce to the natural channel, but also highlights opportunities for other channels to increase their basket sizes with produce offerings.

In addition to the retail environment, it's important to look at produce in the full context of eating since vegetables are often



Charts courtesy of The NPD Group

served as a side dish, particularly at dinner. Produce marketers and retailers should consider either cross-marketing or placement strategies that more closely align with consumers' dinner plates. For example, when looking at all dinners containing a vegetable side dish, chicken, beef and pork are the top center-of-plate dishes served in those instances. According to NPD's National Eating Trends, sandwiches and burgers are also top main dishes at dinnertime; however they are

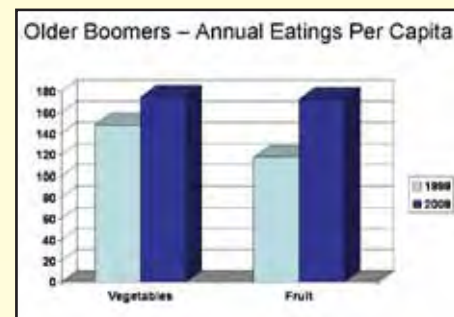


less likely to be consumed with vegetables.

There has also been much concern recently surrounding the eating habits of children and how this might be contributing to obesity. A recent study conducted by the University of North Carolina showed that kids are snacking on about 586 calories per day, which is up from 418 in 1977. While it is true that kids often snack on sweets and savory items, the silver lining is that parents seem to be taking

charge of their children's snacking habits. Over the last 10 years, fruit has grown to become the top snack food for kids, particularly kids between the ages of six and 12. This hints at opportunities for retailers to adjust their fruit sections to accommodate snack-minded consumers.

As we move into the next 10 to 20 years, producers and retailers alike must take into account the aging Boomer population. Making up roughly 25 percent of the U.S. population, this generation will see kids leaving the



home and parents entering retirement years — or at least planning to retire. Fruit and vegetable consumption tends to increase as consumers age, in many ways related to NPD's National Eating Trends reports the average older Boomer consumed fruit 173 times in 2009, while those same consumers averaged only 118 times in 1999. The same goes for vegetables. Now, older Boomers, those born between 1946 and 1955, consume vegetables about 175 times per year, but in 1999, their frequency was 149 times.

The findings from NPD's National Eating Trends and its Shopper Insights data show that the quality and freshness of produce drive store traffic and builds retailer loyalty. Understanding the life stages of consumers and their mindset about produce will help increase store traffic, loyalty and dollars.

The NPD Group, headquartered in Port Washington, NY, is a leading provider of reliable and comprehensive consumer and retail information for a wide range of industries, including the food and beverage and foodservice industries.

Put Consumers First

It is good news, and an important asset for the industry, that consumers value produce so highly that the vast majority identify liking a store's produce as one of the reasons they select to consistently shop at a particular store.

The positive response to this question raises, as good research often does, another question: What does it mean for a consumer to "like the produce" at a particular store?

One interesting query: Is this a set-point question? That is to say... is there some base line of acceptability that must be reached for consumers to consider making a store their regular shopping venue, but once that set-point is reached, consumer concerns move on to other issues, such as location or the condition of the deli department, and further improvements in the produce department will no longer motivate that individual consumer? Or does further improvement of the produce department further motivate that consumer, perhaps outweighing an inconvenient location or poor meat department?

It is also not clear to what degree various elements contribute to "liking a store's produce." Is this mostly about appearance, is it the historical experience with flavor and taste, is it assortment, is it price, or is it carrying organics?

It also is intriguing that consumers at conventional stores "like the produce" at those venues more than consumers at natural/organic stores "like the produce" at those stores. Perhaps the natural/organic consumers are more attracted to other things at their stores and experiment with various alternative-purchasing venues for produce — one can imagine this clientele not liking the produce as much in a natural or organic foods store because they prefer farmer's markets or various forms of Community Supported Agriculture. The more obvious implication, though, is that stores that focus on organic produce either A) Are frequently out of stock on items or have a smaller assortment, B) Are in-stock only with conventional alternatives, C) That the quality standards are bent

The bottom line is that the industry could sell a lot more produce if it could break the departmental barrier.

to allow the purchase of many organic items, or D) That "liking the produce" includes thinking the prices are reasonable and organic sometimes fails to meet that measure.

The study artfully notes that produce is not an island and that people often consume produce in the context of meals. Protein main courses are often served with vegetable side dishes, and burgers and sandwiches, though less often served with produce side dishes, often incorporate produce right into the item. Departmental merchandising makes suggestive selling more difficult. Here is a situation where consumer research runs straight into the bureaucratic inertia of old ways of doing things. No less a group than the Food Marketing Institute, the supermarket industry trade association, recognized this problem and tried to wrestle with it through its old Meal Solutions Conference.

There are a hundred problems to transcend — compensation schemes, accountability issues, etc. — but the bottom line is that the industry could sell a lot more produce if it could break the departmental barrier. Ramping up cross-merchandising efforts is part of the solution, and innovative programs such as the Publix Aprons program, which includes cross-departmental product being used in a meal demo and continuing recipe series, is also helpful. One day,

though, someone will figure out how to put consumers first and that will be a win for them, and the produce industry.

It is interesting that the study finds that fruit is now the No. 1 snack for children between the ages of six and 12. Intentionally or not, the industry has been adjusting to this with the growth of products such as Clementines, which are lunch-box-friendly, seedless, etc. One challenge for the industry is how to extend those convenient offerings into the teenage years when the lure of fast food and junk food hits full stride.

The aging of the baby boom offers both opportunities and challenges. Demographics are always local, so it doesn't matter to a retailer that the national average is getting older if its stores are in areas flooded with young immigrants. Once again, we confront the question of knowing a fact — that the older population is increasing — and still needing to define what will satisfy this demographic. One thing to keep in mind is that one person's luxury is another's necessity. So a sliced or diced onion may be a convenience item to young people, but as the so-called "old-old" population — those over 85 years old — increases, you increasingly have people for whom cutting is dangerous, painful or impossible. For those folks, the same product is a necessity.

Universities Adopt An Advocacy Role And The Media Fails To Disclose That Advocacy: How Are Legislators And The Public To Decide On Food Safety?

From Jim Prevor's Perishable Pundit
March 20, 2010



We wrote a piece that was published by *Pajamas Media* titled, "At the Corner of Food Safety and Media Bias." Here is an excerpt:

If universities are biased and the media is lazy, how are we supposed to develop intelligent public policy? Food safety is a case in point.

At first glance, it appears that there must be momentous news regarding food safety. Business Week blared the headline, "Food-borne Illnesses in U.S. Cost \$152B Annually;" the Los Angeles Times trumpeted, "Cost of Food-borne Illnesses is Deemed Much Higher Than Earlier Estimates;" USA Today declared, "USA Pays Price for Food-borne Illness: \$152B a year." All the noise was generated by a paper written by Robert L. Scharff for the Produce Safety Project at Georgetown University. Dr. Scharff is an assistant professor in the Department of Consumer Sciences at Ohio State University and once worked at the FDA as an economist.

The paper causing all the hullabaloo is titled "Health-Related Costs From Food-borne Illness In The United States," and whatever the merits of the paper, the whole enterprise shows the utter collapse of both academic and journalistic standards and the difficulty this poses for the making of public policy.

A mere glance at the website of Produce Safety Project, identified as "an initiative of The Pew Charitable Trusts at Georgetown University," shows instantly that this "project" and any standard of academic inquiry are inimical. Right on the front page of the Web site the purpose of the Produce Safety Project at Georgetown University is defined:

"The Produce Safety Project at Georgetown University seeks the establishment by the Food and Drug Administration of mandatory and enforceable safety standards for domestic and imported fresh produce, from farm to fork."

Now, I bow to nobody in my pursuit of safe produce. Four generations of my family have worked in the produce industry here in America, and I've built a career speaking out on food safety issues. But can I possibly be the only one who thinks that Georgetown University disgraces itself by having such an entity use its name? After all, the purpose of a university is to foster free inquiry and research, to encourage the exploration of new ideas and to encourage people to think deeply about various subjects.

Apparently, though, free inquiry and research are no longer needed at

Georgetown, as the Produce Safety Project has a priori determined that the correct policy response to food safety concerns is that the FDA should establish mandatory and enforceable safety standards. Where this leaves students or faculty members who might think differently or whose research might lead in a different direction is hard to say. There seems to be no place at Georgetown for those who might say that the USDA, rather than the FDA, should play a bigger role, or that societal resources should be invested in reducing automobile accidents rather than establishing mandatory FDA produce safety standards, or that "farm to fork" standards, presumably including "mandatory and enforceable" sanctions against consumers — that's the fork part — are too intrusive. The thinking has already been done.

As upsetting as Georgetown's abandonment of the spirit of free academic inquiry may be, the wholesale failure of so much of the media to report comprehensively on this paper and its publication is simply astounding.

Although most media reports credited Georgetown University with the study — ABC News, for example, identified the study as "an initiative of the Pew Charitable trusts and Georgetown University" — virtually no media outlets took the time to explain that the study was published by a self-professed advocacy center that has as its mission the enactment of specific policy goals.

As to the validity of the study, it also seems to be the case that virtually no media outlets reported that the study was not submitted to an independent journal for peer review. Although three economists are thanked in the footnotes for providing independent review — the review was obviously not anonymous — it is not clear who selected the reviewers or what their affiliations are. Also, no mention is made that one of the reviewers co-wrote a book with the author of the study.

Although many media outlets plucked out from the various crosshatches of data items of interest to their states or industry, few seemed to have noticed that the many pages of data are based on a whole series of assumptions that may or may not be accurate. To start at the very base, are there actually 81,910,799 cases of food-borne illness in the United

States, as the study claims? Perhaps, although despite laws requiring physicians to report illnesses caused by the most dangerous pathogens, the CDC can't produce names equating to even 1 percent of that number.

The number used in the study is a theoretical construct based on an unproven under-reporting factor. In fact, the number of food-borne illnesses is so theoretical that in almost 82 percent of the claimed cases of food-borne

The real story might be that a university has allowed its good name and credibility to be hijacked by an advocacy group and that the science is weak. This is a problem on an issue like food safety, but it is just as big a problem on all public policy issues.

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illness, or more than 67 million cases, there is no known agent that caused the supposed cases of food-borne illness.

Most importantly, though the headlines of the press release, "Food-borne Illness Costs Nation \$152 Billion Annually: Nearly \$39 Billion Loss Attributed to Produce," were repeated ad infinitum in media outlet after media outlet, few dug into the study to explain that these headlines don't carry the meaning that people would typically attribute to them.

If your neighbor just got out of the hospital and you asked how he was, and he reported that he was fine, but his illness cost him thirty grand, you might think that he was referring to the actual hospital bill — that he or his insurance company actually wrote a check for that amount. Maybe you would think it was the hospital bill plus lost wages. If you later found out that your neighbor included in his complaints the value of the decline in the quality of his life while he was in the hospital, you might think your neighbor a bit deceptive — or daffy.

Yet on the largest single category the author of the study identifies — those 67 million-plus people whose supposed food-borne illness is caused by unknown agents — almost 63 percent of the "cost" of these illnesses are due to declines in the quality of life, an enormously subjective measure. Another 30 percent of the "cost" of food-borne illness for these cases comes from inputting the value of \$7.9 million for a "statistical life" if someone dies. Only about 7 percent of the so-called "cost" of food-borne illness in this large category represents actual payments made to anyone, and even that is just an estimate.

The issue of what do about food safety is complicated. There are many options and many priorities to consider. What is clear, though, is that the media is not doing the job we need to have done if we are to have

a fully informed and educated populace.

Reporters get a study in the in-box and instead of vetting the study, they trumpet the study findings. All too many reporters don't realize what the job actually is. They think the story is whatever the study's sponsors say it is, but as the song goes, "It ain't necessarily so!"

The real story might be that a university has allowed its good name and credibility to be hijacked by an advocacy group and that the science is weak. This is a problem on an issue like food safety, but it is just as big a problem on all public policy issues.

We've been fortunate to work with a lot of earnest and well-intended reporters at newspapers and other consumer media. But very, very few remain full-time reporters on food and ag. Many have started out their conversations with us by explaining they were the real estate reporter, but had been thrown into reporting on the Salmonella Saint-paul outbreak!

With newspaper staffs getting smaller, the chances of having an ag expert available to do a story becomes less and less. Yet with the 24/7/365 culture of the Internet and cable news, the pressure is on to produce pieces quickly. Combine inexperience with speed — and you have something dangerous indeed.

I ended the piece with these lines:

There are arguments on all sides of these issues, but the sad part for our country is that neither legislators nor the citizenry can rely on information from universities or the media in trying to come to a position on the matter. Whether due to advocacy or sloth, this failure of institutions poses grave risks to the decision-making process of our country on food safety and all public policy matters.



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*2nd Annual
Retail Sustainability Award*

SAFEWAY 



GREEN FROM THE GROUND UP

BY MIRA SLOTT

About two years ago, Safeway executives had an epiphany. Championed under the umbrella of Corporate Social Responsibility (CSR), they devised a strategy to infuse sustainability into the company's bloodstream, with a special place for produce at its heart. "We developed our vision at the beginning of last year to be the premier grocery retailer in corporate social responsibility and make an important and measurable difference with respect to sustainability," says Christy Consler, vice president of leadership development and sustainability for the Pleasanton, CA-based retailer of 1,725 stores under multiple banners, including Pavilions, Carrs, Vons, Rاندalls, Tom Thumb, Genuardi's and Dominick's. The latter part of Consler's expanded title encapsulates the Safeway's emboldened CSR concept. "A



SAFEWAY'S GREEN LEADERS

Accepting the 2010 Retail Sustainability Award — flanking PRODUCE BUSINESS Editor-in-Chief Jim Prevora — are (left to right): Joe Pettus, senior vice president, fuel & energy, Christy Consler, vice president of leadership, development and sustainability, and Geoff White, group vice president for produce and floral.

lot of people wonder how leadership and sustainability fit together," Consler says.

The integrated policy hit a transformational turning point when the progressive leadership resolved to put more focus on CSR and knit together all the different, multi-faceted sustainability initiatives scattered piecemeal across the company. "We decided as a company that we wanted to make sustainability a part of how every leader operated, and we wanted everybody to operate with that mindset. One of our senior executives, Larree Renda, executive vice president, chief strategist and administrative officer, said, 'Hey, as we're putting together a more formal coordinated strategy in educating the leaders across the company on this, I want to make sure that we bake this right in to our leadership development plan.'"

Consler helps manage and coordinate the efforts of the broad CSR task force, involving senior leaders from across all functions and departments, who work together to develop overall strategy and then specific measurable goals around four strategy platforms: Community, People, Planet and Products.

The vast scope of these varied platforms could be difficult to get one's hands around. Companies pursuing sustainability objectives often isolate these into silos, and target one at the expense of another, yet fail to grasp the

consequences of doing so. Safeway, however, seems to have intermeshed these four platforms into each department's overall strategies, often pulling strengths from one department into the other to provide synergies that couldn't be attained alone. When looking at Safeway's entire sustainability program and the interrelationships connecting the people involved, one might visualize a circle of leaders all relying upon each other to make the sustainability "wheel" move forward.

Group Decisions

It is easy to agree on saving energy and avoiding waste. Yet choosing to buy locally in an effort to reduce food miles and carbon footprints may not necessarily be more environmentally friendly, based on alternative production methods, supply chain efficiencies and numerous other factors. The choice to buy locally presents social issues. For example, eliminating an import program in favor of locally grown could lead to the displacement of hundreds of thousands of struggling farm workers in a third-world country.

The produce team is fully aware of the complexities. "I'll tell you that the decision doesn't rely on anyone's sole shoulders," says Steve Burnham, vice president of produce. "As an organization, we have an entire task force

devoted to bringing together all of the components the company works on relative to sustainability, because there are so many components. We have identified hundreds of initiatives within this organization... from perishables, from produce, from supply, from retail. So we are cautious to commit to any one thing without it filtering up and discussing it as a team and as a group so that we're consistent," says Burnham. "What we don't want is for produce to take one avenue while non-perishables takes another avenue. We're committed to getting all the facts and doing the appropriate due diligence of studying all the potential outcomes," he adds.

Geoff White, group vice president for produce and floral, is quick to acknowledge, "We don't have all the answers yet, but there are some initiatives we've built baselines around, and programs like packaging that are relatively easy to figure out, or at least it's easy to baseline yourself and show what kind of improvement you can have from there," he says. Regardless of the challenges, he continues, "We've made a significant commitment as an organization in manpower and funding to do the right thing."

Doing the right thing, however, is often open for interpretation. Safeway's premise is that these policies often overlap, interconnect



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“The big thing we’re focused on now is really taking this far beyond the task force down to every employee so that everybody knows how they can make a difference, both formally with their performance objectives and ensuring those link up to supporting one of our CSR strategies.”

— CHRISTY CONSLER

and reverberate off each other, and therefore cannot be tackled randomly. All must be addressed congruently when conducting cost/benefit analyses to best determine where and how to invest money and resources for maximum benefits. More specifically, sustainability initiatives need to take into account the entire lifecycle of the product and its broader impacts on society.

• Safeway’s sophisticated top-down approach also shares a strong bottom-up component. “The big thing we’re focused on now is really taking this far beyond the task force down to every employee so that everybody knows how they can make a difference, both formally with their performance objectives and ensuring those link up to supporting one of our CSR strategies,” says Consler. But then also personally, how they can contribute, how the simple things that they do every day make a difference at home and at work, she adds.

To drive the overall strategy, Safeway is asking leaders to set business performance objectives and direct their teams to do the same. The company also wants to create a dynamic environment on the ground, where employees can have a voice in the process. Initially, says Consler, “We had the employees from across the company come up with a list, and compiled over 300 different separate initiatives of things currently being worked on or in development and ready to be implemented. We started with the bottom up and then took an inventory, asking how these naturally group together, and out of that is how we developed the strategy platforms.”

The next challenge is keeping the process fluid. “Already, people can share their ideas with the store managers and district managers and that bubbles up to division presidents who can share them with us,” Consler continues. “But we’re also looking to formalize it more and have actual CSR champions in each of the stores, districts and divisions so people know that their ideas were evaluated.” Safeway is working on putting a more official path in place, a structure across each of the 10 divisions, with regular conference calls to share Best Practices and disseminate them more quickly.

The company has a number of employee network groups, and the Green Team is one of the newest. There is a Green Team at the corporate level, but also out in the divisions, and some of the divisions have started to form green teams or committees, according to Consler. She points to Vons in Southern California, which has a very active group doing impressive work to become more sustainable internally and through community involvement in projects ranging from recycling to breast cancer awareness and fundraising drives. Safeway discovered it could really engage the hearts and minds of employees in ways it hadn’t before, she explained.

The produce team has jumped into the program full force, and finds it empowering. “Although we have a company-wide task force, each business unit is taking it upon itself to educate ourselves on sustainability as it relates to our area of expertise,” says Burnham. “What it really boils down to are the people. The people that make up this department that have a passion for this, that spend the time educating themselves and that help counsel us. We have a volunteer task force within produce committed to nothing but sustainability, which meets every month. It does not matter if you’re an analyst or if you’re a vice president...you’re all welcome to be part of this task force because no one has a bad idea. Then we take those ideas and become further educated and try to drill down to the facts.”

Buying In To The Big Picture

Mandating new sustainability directives within a company, and further down the supply chain, wavers a fine line between a welcomed opportunity and an unwelcomed burden. Linking the whole CSR and HR function with sustainability is a unique proposition, a concept other companies may want to emulate. You can have the best strategy in the world, but it will fall woefully short if you don’t have people who care about it, understand it and embrace it.

Employees need to know that what they do makes a difference, not only to the company’s results, but to the community and the world we

operate in, according to Consler. “It all comes down to engagement — engaging individual employees, engaging leaders, really making the objectives clear and enlisting people’s help in the difference that we can make.”

In a company of this size, people’s actions can produce meaningful impacts. “We don’t want people to feel, ‘Oh, this is an added burden, I have to save the planet...’ It’s just nice to feel like you’re part of something bigger and it’s more than just a job,” she says.

Despite lofty ideals, Safeway is still a business that needs to remain profitable. “This is a broader way of thinking about our business



Christy Consler, vice president of leadership, development and sustainability



Geoff White, group vice president for produce and floral



Steve Burnham, vice president of produce

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"We have a volunteer task force within produce committed to nothing but sustainability, which meets every month. It does not matter if you're an analyst or if you're a vice president...you're all welcome to be a part of this task force because no one has a bad idea."

— STEVE BURNHAM

strategy. We talk about how it's flush with opportunities for growth, growing the top line, but it's also full of opportunities for cutting costs and being more efficient," says Consler.

In a fragile economic environment, a sustainability mantra fits well because many sustainable business propositions generate cost savings and greater productivity. "In the past five years, I know we've had over half a billion dollars in revenue from O Organics, Bright Green and Eating Right [Safeway's brands with an environmentally friendly focus]. These more sustainable products are certainly a growth vehicle for us, so we definitely think it makes a lot of sense in this environment," says Consler.

In fact, Safeway's Lifestyle stores are a Mecca for the kind of consumer Safeway's sustainability strategy attracts. Safeway executives use a term coined over 10 years ago for the quintessential sustainability shopper: LOHAS — Lifestyle of Health and Sustainability. Safeway indexes high with LOHAS shoppers. It has learned from its own consumer studies and other research from third parties that price and value are the key drivers no matter what, and especially in this economic atmosphere. But LOHAS shoppers also rank a company's sustainability record as an important consideration.

Safeway's marketing and consumer insights group conducts regular research on how people perceive Safeway, and has been monitoring LOHAS customers for a number of years through the Natural Marketing Institute, a Harleysville, PA-based market research firm that provides market analysis and strategic planning. Safeway has found that LOHAS shoppers tend to be more loyal, so green initiatives become significant from a business standpoint, according to Consler.

"We can never forget the end game and we're here to drive a business and satisfy the consumer," says Burnham. "If you were to ask me our priorities in produce, quality has been our endgame and how we get there is through sustainable and earth-friendly Best Practices."

Supply Chain Involvement

Vendor partnerships play an integral role in

the sustainable lifecycle. "Eighty to 90 percent of the environmental footprint is in the supply chain," says Consler, so Safeway must work very closely with vendor partners on a regular basis to achieve its goals, whether it is teaming up with growers on seed varieties, more sustainable practices in the field and packing house, or collaborative pilot testing to improve logistics and reduce shipping costs and number of trucks on the road.

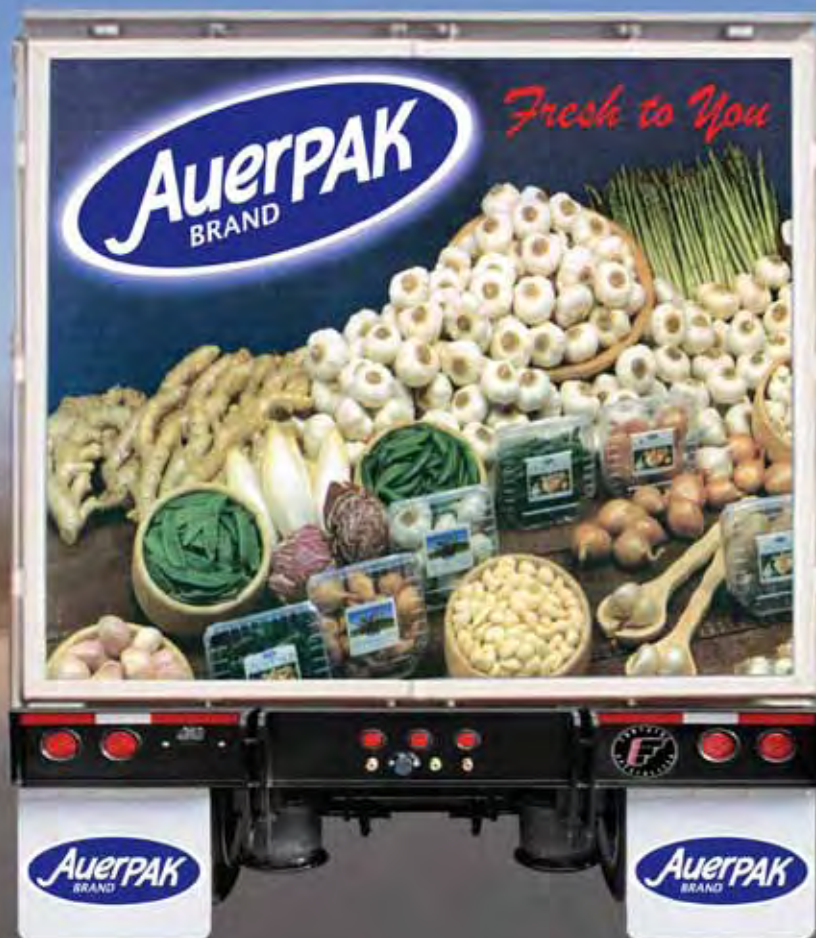
In produce, major efforts are underway to capitalize on the brain trust, the expertise and Best Practices among its vast supplier base, and harvest that knowledge to other suppliers throughout the industry. "We scorecard our vendors, and it's not just the normal issues related to service level and quality, although those are paramount. Their sustainability practices are becoming more important, and we carry over those Best Practices to make everybody that much more educated and efficient," says Burnham. Examples involve more efficient crop utilization; partnering with local growers to help them exponentially grow their volume out of that field. Safeway commits to that volume, while keeping it local and lessening food miles.

In supporting local growers, "You want consistency and you want the best varieties available," emphasizes White, noting success with proprietary partnerships to meet Safeway's high standards and specifications.

Of course, not all of the requirements are tied to sustainability. GAP and food safety practices are vital. "For right now, sustainability is more about Best Practices for us than a hard line that it has to be this or that in regards to sustainability because it is always evolving," explains Burnham.

"There's such a breadth of application in all our growers with sustainability," says White. Some are highly advanced, like Gill's Onions, while others are just practicing old school kinds of growing practices that aren't wrong. They follow everything by the book with regard to food safety and proper harvesting practices, but there is so much more they can do with water and crop utilization, he explains. "It gets back to that leadership role as an indus-

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The process is less dictatorial and more collaborative, according to White. "Though we're very supportive and drive it, you get more from the supplier's side on coming up with ideas than us coming up with the whole thing," he continues. "Everyone wants to use sustainability as a point of differentiation or a marketing tool. If it's the right thing for the environment, we have to figure out a way to make it bigger and bolder than it is with just one vendor or one label," says White.

"I think sustainability is on the way to becoming the price of admission, and as a retailer, we have to be cognizant of that," Burnham agrees. "If there are increased costs, the end game is a more sustainable package, and consumers are leaning toward that and holding us accountable."

In floral, vice president Traci Adams is brainstorming with her suppliers to implement innovative sustainability ideas, all part of a floral program called Zero Waste. "We're just tapping into it, but everything in that department is set to be recyclable or compostable. Even the display buckets have some sort of recyclable attribute that we can use, and they can go to a chipper and get worked back in and made into new buckets," says White.

In terms of item-specific packaging in the produce department, the industry grapples

"Everyone wants to use sustainability as a point of differentiation or a marketing tool. If it's the right thing for the environment, we have to figure out a way to make it bigger and bolder than it is with just one vendor or one label."

— GEOFF WHITE

with the dichotomy of increased packaging to address food safety and quality issues, versus reduced packaging to eliminate waste and appease die-hard sustainability shoppers. "It's the pendulum swing. It goes all the way over here and then we'll find a way to get it back to where it needs to be," says Burnham. Safeway puts weight on consumer input.

Committed To Locally Grown

The chatter in regard to sustainability, packaging and locally grown goods has gotten a lot louder and a lot more frequent, according to Burnham. "We definitely have gotten a lot of kudos from the consumers on our local efforts. Local isn't anything new to Safeway, we're just doing a better job communicating it in the in-store environment with point-of-sale

materials and through associates," he says.

The concept of locally grown has become nebulous and distorted. "Local can be a real rhetorical kind of thing and no one has really defined what local is," acknowledges White. "We let our consumers define it for us." At the same time, "I think there are some 'have to haves.' You can't call it local if it's going to drive 400 miles, so there's that hurdle — how far it will travel. But for us, it's the items that are important to the consumers in the areas that they live. It may not be defined as local, but as locale. It means carrying Michigan blueberries in our Dominick's stores at the right time. Those shoppers don't want New Jersey blueberries or Oregon blueberries if they can have Michigan blueberries. That's important to them. But for our stores in Brent-

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wood, California, we have the Brentwood corn that's growing two miles down the road. That vendor just delivers it every day to the store instead of working it through our system," White explains, noting local vendor relationships going back 70 years.

The process has to be managed very carefully for two major reasons. The first is just from the food safety aspects. "We have worked with certain local growers to make sure they fit the criteria, and we visit them before the season and periodically during the season," says White.

"Our quality control team goes out in the field, and we test their products," adds Burnham. Supplier interest really picked up last year with the heightened awareness to local.

New suppliers or suppliers with limited supply will reach out to Safeway's procurement team in Phoenix. "We have different people associated with or responsible for specific crops and products, and we get them hooked up with the right people," he says. "Then we'll actually go out and visit them, spend time in their fields, bring our quality control team and then we'll utilize limited supply for selected stores." It doesn't always have to be counted as local, says Burnham, noting that taking care of local farmers is part of Safeway's sustainability culture.

White adds, "We stay in the deal as long as we possibly can to help those growers sell through their products." In many ways, it's complicated procurement. "It's not easy," says

White, "but we're really committed to it."

"I've never had a more complex assignment because of that," says Burnham. "And then added to that is the complexity in regards to organic, local, conventional, but then the quality components, the variety components, the Mother Nature components and then the promotional components — it takes an army to stay on top of it!"

Recycling Responsibilities

Burnham certainly speaks from experience. He started with Safeway in the stores 20 years ago as an apprentice meat cutter, ultimately becoming the group director in meat, then in a new sustainable effort four years ago, launching a separate seafood unit as vice pres-

SAFEWAY'S UNSUNG GREEN HEROES

Safeway's vast CSR and sustainability efforts touch everyone throughout the company, and Best Practices are spread across all divisions and operations. While some areas may seem peripheral to the produce industry, most have challenges directly or indirectly affecting produce initiatives. In terms of the produce industry, Safeway's team is bustling with unsung green heroes.

Jeff Brown, CIH, Director Environmental Affairs, explains the sheer scale of sustainability programs underway:

- The total amount of recycled cardboard, including all Safeway stores, supply plants and distribution centers, which collects it from the stores, amounted to 300,000 tons last year. That includes dry and non-wax cardboard received, basically from the packaging of products, the shipping packaging, cartons, etc.
- Waxed cardboard is used to collect compostable produce, floral and deli items that aren't sold at stores. The total amount of material collected and composted last year was 110,000 tons.
- The plastics recycling number hit around 13,300 tons.
- Overall, Safeway recycled nearly 520,000 tons of materials.

Safeway's progressive posturing puts the retailer ahead of the curve, which could be critical, especially in California as new regulations and stricter standards come down the pike. "It's starting in California, but it will

spread to other parts of the country," says Brown. For example, Green Chemistry, modeled after European systems that look at chemical composition of products and the hazards of those chemicals in any product, such as those for cleaning, is certainly on the near horizon in California," he says. "It's nice to be ahead of the curve in some of these things. We certainly are plugged in and get advance notice of impending rules."

Making something more safe or reducing water is certainly a valued sustainability measure at Safeway. At the same time, solutions to problems are not always so clear-cut. The EPA started to phase out refrigerants that were causing damage to the ozone layer, so Safeway phased those out at a fairly rapid rate in many areas. Available replacements were HFCs [refrigerant comprised of Hydrogen, Fluorine and Carbon], which seemed a good choice at the time, Brown explains. "Now you have to also consider that HFCs may have been slightly less efficient so you have to use more electricity to do the same refrigeration; in that sense it increases the amount of global warming. In the new global warming regimes, we're going to have to deal with that," Brown continues.

Bio-diesel conversion for all the trucks was another expensive venture. "We went out ahead of the curve and converted to bio-diesel," says Brown. "There's nothing inherently wrong with bio-diesel, but the underground tanks to hold it were not certified to hold it. The process in California to

get them certified is lengthy and bureaucratic, so here we are with bio-diesel and basically nowhere to put it," Brown explains.

Getting the bio-diesel fuel wasn't all that easy either, according to Joe Pettus, senior vice president, fuel and energy. The fuel itself wasn't consistent, and getting it to Safeway's specifications and quality was very difficult. Pettus admits that Safeway had to back off on the use of bio-diesel trucks because the bio-diesel industry is still not cohesive enough yet to supply such a big customer.

Safeway is a big grocery company, but also a big energy company; Energy is Safeway's second largest cash expense, other than personnel, explains Pettus. "We are one of, if not the largest commercial consumer of electricity in the state of California, so we have a huge energy load; we air condition 24/7 and what we don't air condition, we refrigerate, and what we don't refrigerate, we freeze, and if we're going to freeze it, we heat it," he exclaims.

"We went out and bought our own natural gas, went to the power plants and said, just turn it into electricity; I'll buy the gas, you turn it into electricity — we've become our own utility, so it saves us a lot of money," he says, describing somewhat of a coup, extending the strategy to Canada and any state in the United States that allows it. "We're basically either acquiring our own energy directly, or manufacturing it, or both." One big advantage, "If I make too much electricity, I can sell it to someone

ident and then as vice president of marketing/planning, before joining the produce team. "One of the things we do as an organization is cross-pollination and lateral moves to get a broader aspect of the business, which is really exciting and one of the big successes of Safeway, says Burnham. "I think it really keeps it exciting for the individual and adds new blood and perspective for the business."

White provides his take: "Steve and I are both grocers and so that's where our heads and our hearts are, but deep inside our heart and our soul is produce. Steve's got two years of produce, and I've got 28 years, but once you're in, it's in your blood. It's a very tight-knit group. We all compete with each other, but we all support each other. We all have the

same issues. We all love Mother Nature, good and bad. And the industry is very solutions-oriented. We have to be," he says.

White gives credit to Safeway's savvy buying team, which understands the strategy, and is very in-tune to local markets. Feedback from each of the local divisions helps guide corporate as well because they're in the market every day. "They won't let us miss a beat," adds Burnham.

"Although Safeway buying is centralized, it has division geographical management. "We run the marketing and merchandising expectations from here," White says. "We're a tight knit group from both corporate and retail so they know what the strategies are, what our guidance is, right down to our weekly ads. I

would call it a strong partnership where produce managers understand what we're trying to accomplish and are able to execute that," says White.

"We certainly have shared our performance objectives together," Burnham continues. "We're moving forward with the sustainability objectives for the corporate team, as well as rolling those out further throughout the organization. These are part of our performance objectives and what we're targeting and developing; then creating a trickle-down effect so all employees embrace sustainability as a priority."

And in the spirit of a true sustainable life-cycle, new employee ideas will trickle back up again. **pb**



JEFF BROWN,
DIRECTOR ENVIRONMENTAL AFFAIRS



JOE PETTUS,
SENIOR VICE PRESIDENT, FUEL & ENERGY



MIKE VINCENT, DIRECTOR,
SUPPLY CHAIN SUSTAINABILITY,
SUPPLY CHAIN & STRATEGIC SOURCING

else, but basically, it allows me to move it from the plant to the stores and to buy electricity in some states and move it to others," he says, describing the process, which it has been doing well over four years now. "So it saves money and we've invested some of that money back into our green activities."

Safeway also has about 20 acres of solar panels in California. "Now, a lot of people have solar panels, but for Safeway, the electrons that are produced on the roof go into our store, which gives us that green ability," says Pettus. Most others who implement solar sell it back to the power company, he notes.

Globally, Safeway is organized around sustainability in its CSR initiatives and then there are four pillars within that. Team Planet and Team Product are two of those pillars dear to Mike Vincent, director, supply chain sustainability, supply chain and strategic sourcing. "My core expertise is packaging, so some people might think I'm part of the problem, but I like to think I'm part of the solution," he says, committed to the traditional mindset of the 3 Rs — reduce, reuse, recycle.

"We were always taught to be cognizant

of the end-of-life story, so we used to call it cradle-to-grave. Now it's cradle-to-cradle, so we're trying to close the loop," he says. "Our perishables group is dynamic and we're getting some traction with our local sourcing initiative," Vincent adds. He also speaks highly of Traci Adams, vice president of floral, who really bit onto a goal of zero waste in that department.

"The first time she brought up the concept of zero waste, I went, 'Uh, I'm an engineer. I don't know if that's physically possible or feasible' and I got very nervous." Traci remained undeterred, describing her vision as a lofty goal to work toward. "We set that as a shining light," and a spirited team was formed to make it happen.

Inundated by suppliers with various claims of green packaging and environmental sustainability, Vincent helped sort through the claims. "I'm a realist...so I kind of have one eye closed on all these claims and you have to provide it to me," he says, conducting his own intensive product testing, for example, to find containers with natural composting properties, and working closely with universities, including the Cal Poly consortium, doing groundbreaking

research in the field.

Safeway is also a member of Stanford's socially and environmentally responsible supply chain forum (SER), "which is more about practices within the supply chain and optimizing our logistics to minimize our footprint on the environment," says Vincent.

The economics of business often leads to the most sustainable application, according to Vincent. Everyone has sustainability objectives. Managers in our areas present at least four sustainability projects annually, and buyers and analysts at least two, he says, adding, "We're embedding sustainability into their goals this year." But the other piece can't be underplayed; to be sustainable, it needs to be a sustainable business practice. In other words, the economics have to support it. "What we do is build a business case — what the objective is, what the consumer impact is, what the carbon benefits are, and what the economic pay-backs are. If it costs more, consumers are going to need to be willing to pay more or it's going to have to offset some kind of processing cost or freight efficiencies or something that it pays out for itself." **pb**

SAFEWAY PROTOTYPE LEEDS THE WAY

Santa Cruz store is first of many LEED stores in Safeway's green vision.



When Safeway decided to design its first Leadership in Energy and Environmental Design (LEED)-certified store in Santa Cruz, CA, its goals were serious and far-reaching, according to Jim Gibbon, architectural coordinator, corporate construction and design at Safeway, and instrumental in its development.

The environmentally friendly unit, double the size of its 30,000-square-foot replacement, is an evolving prototype, a test laboratory of sorts, where innovative sustainability concepts are strategized, implemented and tweaked. This year alone, Safeway is busily engineering 15 more LEED-certified stores. Ultimately, Gibbon says he and his team strive to create a working template, which can be easily duplicated or adapted for eventual rollout to store formats throughout the retailer's broad chain network.

Gibbon enthusiastically begins our tour by highlighting an innovative water recycling scheme that targets arguably one of the most important and under-addressed issues facing the industry: water utilization to avert shortages. "We've been in business for a hundred years and nobody knew how much water was being dumped into the sewer," says Gibbon. Safeway conducted an analysis, which revealed a thou-

sand gallons a day going into the sewer. "We pulled off 700 gallons a day just from the sale area, and we only use 500 gallons for irrigation."

Safeway water is generated inside the store from the retailer's refrigeration equipment and recycled for landscaping. In the next store, "we're going to pump part of that water into the bathrooms. It's a tremendous amount of water to waste," he says, adding that the water is clean because it is simply generated by the process of freezing and cooling moisture from the humid Santa Cruz air.

Just For the Ride

Healthy living and Santa Cruz weather encourage good use of the 52-bike racks positioned in four different locations outside the store. And in



“We’re committed to sustainability integration in the way we build buildings. LEED and USGBC give us the mechanisms to measure common sense greenness. Eventually, we’re just going to be green all the time.”

— JIM GIBBON



LEED-certified style, showers are available if employees want to refresh themselves after an energized ride to work.

For the future, Gibbon is experimenting with the concept of fuel efficient vehicle parking for employees...essentially a bank of recharging stations in the employee parking lot. “It’s more apt for employee use than for customers because customers don’t stay around long enough to really take advantage of it,” he says, noting, “The cost of the energy for recharging a car for five hours is something like fifty cents; it’s really cheap.”

A third party would control the energy box and charge the people directly for using it, in Gibbon’s scenario. When the car was fully charged, the system would be set up to call the employee cell phone number to tell him to move his car. “When one of our upper managers says, ‘Now it’s time to experiment,’ this is the store designed to do it in.”

Safeway’s attention to its employees’ well being is reciprocated. “Our managers, sub-managers and all the people who work in our departments are so proud to be part of our first green store,” says Gibbon. “Look at the perfection,” he points to a cornucopia of beautifully appointed fresh produce displays that highlight local and organically grown fruits and vegetables.

In the open area of the produce department, wooden tables support well merchandised displays of fruits and vegetables, subtly highlighted above by energy-efficient lights. “We decided we didn’t need a flood of light; what we needed was light that was focused,” says Gibbon. Light level in the center of a typical store may be one-foot candle per square foot. Here it is half the light load, but you still see the product because the light is concentrated on the product and creates a more soothing setting.

Store windows are thoughtfully placed to take advantage of natural lighting. “We’re measuring the energy use of the lights. We may start putting in some LED lights to see the incremental reduction,” Gibbon



Jim Gibbon, architectural coordinator, corporate construction and design



continues. "Changing the lights out to LED lights uses one-fourth of the energy, but they have a tendency to be whiter; and what we don't want to do is have shoppers walking around blinded," he explains.

Under the produce stands is high vinyl composition tile (VCT) flooring, which creates a warm ambience fitting of its Lifestyle stores.

According to Gibbon, the flooring "will be here for 20 years; you cannot scratch it, you cannot lift this flooring or it will take your shins off, and it's slip-resistant."

When the floors get dirty, there is even a green solution to cleaning them. In an effort to alleviate toxic chemicals, the Santa Cruz store took the lead as a testing ground for using

cleaning supplies that don't hurt the environment. They're all biodegradable and certified through a testing lab, according to Gibbon.

Energy Management

Behind the scenes of the new LEED store, there is a lot of continuous experimentation and study going on. An accurate analysis of



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energy use throughout the store can be challenging. For example, the deli department had slicing equipment and nobody knew its true energy efficiency. This phenomenon can create false assumptions on overall energy savings, and in the end, affect LEED-certified scoring, Gibbon explains.

Safeway's energy management system

involves extensive testing and retesting of equipment before and during installation, and dedicated follow-through to ensure operations are meeting environmental goals. "These are very keen partners of ours, and in addition, a third party comes in periodically to make sure all systems are in balance and working at their highest efficiency and to stave off any prob-

lems," says Gibbon, noting LEED store inspections are even more frequent and stringent.

While much of the store will have energy provided by solar fuel panels, for the future, the store is experimenting with Bloom energy installations, alternative fuel cells that use ground-breaking technology. "We are actually purchasing the Bloom boxes from

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the company [Sunnyvale, CA-based Bloom Energy], but it handles the maintenance and upgrades for ten years," he says. That's the reason why you do prototypes, he explains, "to determine the cost, the maintenance and those intangibles...The payback on these systems is something like four or five years, as long as you can use the power and don't have to sell it back," Gibbon explains. "What we did is create a sweet spot of how much we're producing and how much we're able to produce from this site itself."

Will there ever be a windmill in the store parking lot? "We invest primarily in wind farms, and for individual stores, the solar panels are better," he notes.

LEED-certified efforts may not always be so obvious to Safeway shoppers, but Gibbon wants to change that with an interactive computer kiosk station. A touch screen monitor would describe the Santa Cruz store evolution, but also tell a much bigger story of Safeway's corporate social responsibility. "As it goes, this will be the prototype and then we'll roll it out to all the other LEED stores, and then we'll roll it out to all our stores," he says.

"It's going to talk about public transportation, green initiatives and social responsibility and volunteerism. But it also will link you to Web sites where you can get other information, or it will tell you what Web site to go to, and shoppers will turn to their iPads to instantly learn more," he envisions.

More Of A Good Thing

"We are basically taking the bull by the horns...We have modified specifications so that all of the green elements and all of the LEED-certifiable requirements are in the specifications. We have updated our prototype and our documents so that the LEED process can be duplicated in other stores," he explains.



"We're selecting a store in each division to be the first LEED-certified store in that division, and we use it to train our internal construction and design and operational people."

Safeway is in this for the long run. Some companies do a big advertising kick and then walk away from it and go back to doing what they were doing, he says. "We're committed to sustainability integration in the way we build buildings. LEED and USGBC [U.S. Green Building Council, a non-profit company dedicated to sustainable building design and construction], give us the mechanisms to measure common sense greenness. Eventually, we're just going to be green all the time." **pb**

[Editor's note: Special thanks to Oscar Katov at OK Communications, Hoover, AL, and Teena Massingill, Safeway's corporate public affairs director, for their assistance in this year's Retail Sustainability Award.]

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WAL-MART PRICING REPORT ROUND XX

Philadelphia's Competitive Landscape



In Philadelphia, Wegmans gives Wal-Mart a true run for its money, while Giant and Genuardi's apply pressure with their Ahold and Safeway loyalty card programs.

As the 20th iteration of the PRODUCE BUSINESS Wal-Mart Pricing Report rolls into the City of Brotherly Love — Philadelphia — we find the retailers there engaged in anything but a love fest.

In fact, the bitter competitive environment in Philly offers an indication of what might be in store for the industry, as Wal-Mart moves its supercenter concept into competition with well-established urban concepts. In the Philly region, Wal-Mart has 20 stores, but only three supercenters — in Deptford, NJ, Willow Grove, PA, and Turnersville, NJ. We did our test at the Willow Grove store.

With only three stores, Wal-Mart is not a major factor in the market, so competitors can elect to ignore it or only choose to respond at those stores in direct proximity to a Wal-Mart supercenter. We chose to visit an Acme in Horsham, PA, a Genuardi's in Warrington, PA, a Giant in Willow Grove, PA, a Superfresh in Willow Grove, PA, and a Wegmans in Warrington, PA. All the stores were within 10 minutes' drive of the Wal-Mart Supercenter.

This chapter of the study brings under scrutiny several new names. Although we have often featured Safeway banners in the study, this is the first appearance of Genuardi's, Safeway's acquisition of December, 2000. A&P concepts also have figured

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Wal-Mart Supercenter vs 5 Chains

Price Comparison — Philadelphia, PA

Prices Available To The General Public

Produce Item	How Sold	Wal-Mart Supercenter	Acme	% Over Wal-Mart	Genuardi's	% Over Wal-Mart	Giant	% Over Wal-Mart	Super-fresh
Apples - Granny Smith	Lb	1.27	1.69	33.07%	1.69	33.07%	1.99	56.69%	1.99
Apples - Red Delicious	Lb	1.27	1.49	17.32%	1.99	56.69%	1.99	56.69%	1.69
Apples — Fuji	Lb	1.49	1.69	13.42%	1.69	13.42%	2.49	67.11%	1.99
Artichokes	Each	1.78	2.50	40.45%	4.99	180.34%	1.99	11.80%	1.58
Asparagus	Lb	2.00	1.99	-0.50%	3.29	64.50%	3.99	99.50%	3.99
Avocados	Each	1.00	1.00	0.00%	1.50	50.00%	1.79	79.00%	2.00
Bananas - Yellow	Lb	0.39	0.69	76.92%	0.49	25.64%	0.59	51.28%	0.69
Beans - Green	Lb	2.48	1.99	-19.76%	2.99	20.56%	2.99	20.56%	2.99
Blackberries	Package: 12oz	3.28	3.98	21.34%	6.98	112.80%	7.98	143.29%	5.98
Blueberries	Package: 6oz	3.00	5.44	81.33%	3.29	9.67%	3.99	33.00%	3.99
Broccoli Crowns	Lb	1.58	2.19	38.61%	1.69	6.96%	1.99	25.95%	1.99
Cabbage - Green	Lb	0.64	0.79	23.44%	0.79	23.44%	0.89	39.06%	0.79
Cantaloupe - Whole	Each	1.39	2.50	79.86%	3.49	151.08%	3.99	187.05%	1.98
Carrots - Regular 1# Bag	Package	1.12	1.49	33.04%	0.99	-11.61%	0.99	-11.61%	1.49
Coleslaw - 1# Bag	14oz Bag	1.48	1.31	-11.49%	1.99	34.46%	1.99	34.46%	2.29
Cucumbers - English	Each	1.98	1.50	-24.24%	2.49	25.76%	2.49	25.76%	2.50
Cucumbers - Regular	Each	0.58	0.99	70.69%	0.99	70.69%	0.99	70.69%	0.99
Dips - Marzetti	16.5oz	3.28	3.99	21.65%	3.49	6.40%	3.99	21.65%	3.99
Dressing - Other	Bottle 12.5oz	3.34	3.99	19.46%	4.49	34.43%	3.59	7.49%	3.99
Garlic	Lb	3.58	3.99	11.45%	3.49	-2.51%	3.99	11.45%	3.99
Grapefruit - Red	Each	0.68	1.00	47.06%	1.29	89.71%	1.50	120.59%	1.00
Grapes - Green Seedless	Lb	1.50	1.99	32.67%	2.99	99.33%	2.99	99.33%	2.99
Grapes - Red Seedless	Lb	1.50	1.50	0.00%	2.99	99.33%	2.99	99.33%	2.99
Jar Fruit - Del Monte	Jar: 20oz	2.98	4.48	50.34%	3.99	33.89%	3.69	23.83%	3.99
Kale	2 Lb	3.86	2.98	-22.80%	1.29	-66.58%	2.98	-22.80%	2.98
Kiwi	Each	0.33	0.50	51.52%	0.69	109.09%	0.50	51.52%	0.50
Lemons - Bulk	Each	0.44	0.66	50.00%	0.79	79.55%	0.89	102.27%	0.70
Lettuce - Iceberg Bulk	Each	1.28	1.99	55.47%	1.49	16.41%	1.69	32.03%	0.99
Limes - Bulk	Each	0.52	0.66	26.92%	0.50	-3.85%	0.79	51.92%	0.50
Mangos	Each	1.25	1.00	-20.00%	1.99	59.20%	1.50	20.00%	1.25
Mushrooms - White Bulk	Lb	2.98	5.98	100.67%	4.78	60.40%	3.49	17.11%	4.03
Mushrooms - White Sliced	Pkg: 8oz	1.88	2.49	32.45%	2.39	27.13%	2.49	32.45%	2.50
Onions - Red	Lb	1.98	1.99	0.51%	1.99	0.51%	1.99	0.51%	1.99
Onions - Yellow	Lb	1.78	1.28	-28.09%	1.29	-27.53%	1.29	-27.53%	1.49
Onions - Yellow Bag	Bag: 3lb	3.88	3.49	-10.05%	2.29	-40.98%	3.49	-10.05%	3.74
Onions — Sweet	Lb	1.78	1.99	11.80%	1.89	6.18%	1.69	-5.06%	2.49
Oranges — Navel Bag	Bag: 8lb	6.98	7.98	14.33%	7.99	14.47%	5.99	-14.18%	4.99
Pears - Bartlett	Lb	1.47	1.89	28.57%	1.59	8.16%	1.79	21.77%	1.99
Pineapple	Each	3.48	3.99	14.66%	4.29	23.28%	3.49	0.29%	3.99
Pistachios - Bag	Bag 10.5oz	3.88	4.48	15.46%	5.24	35.05%	3.93	1.29%	3.99
Potatoes - Red Bulk	Lb	0.98	0.99	1.02%	0.99	1.02%	1.29	31.63%	0.99
Potatoes - Russet 5# Bag	Bag	2.97	2.99	0.67%	2.99	0.67%	3.49	17.51%	2.99
Salad - Caesar	Bag: 9.9oz	3.88	4.93	27.06%	4.29	10.57%	3.69	-4.90%	3.99
Salad - Garden	Bag: 6oz	2.98	0.75	-74.83%	0.75	-74.83%	3.69	23.83%	1.15
Salad - Spring	Bag: 5oz	2.50	3.49	39.60%	3.49	39.60%	3.69	47.60%	3.69
Spinach - Bulk	Bag: 10oz	1.98	2.51	26.77%	2.49	25.76%	1.99	0.51%	2.49
Squash - Zucchini	Lb	2.48	1.78	-28.23%	1.99	-19.76%	1.99	-19.76%	1.99
Strawberries - 1# Pkg	Package	2.00	3.99	99.50%	3.99	99.50%	4.49	124.50%	2.99
Sweet Potatoes / Yams	Lb	0.93	1.00	7.53%	0.89	-4.30%	0.99	6.45%	1.49
Tomatoes - Grape	Bag: 10oz	2.98	2.46	-17.45%	2.46	-17.45%	2.66	-10.74%	3.33
Tomatoes - On the Vine	Lb	1.98	3.49	76.26%	2.99	51.01%	3.99	101.52%	3.99
Tomatoes - Plum/Roma	Lb	2.48	2.49	0.40%	1.99	-19.76%	2.49	0.40%	2.99
MARKET BASKET PRICE		109.50	128.39	17.25%	133.86	22.25%	138.30	26.30%	132.06

Note: Prices in red represent adjusted prices to match Wal-Mart's unit size

in the study before — indeed when it was operating in Detroit, its Food Basic concept underpriced Wal-Mart more dramatically than any concept we've ever seen, by a full 17 percent, albeit on the

limited assortment of produce items the concept carried. This is, however, the first appearance of A&P's Superfresh banner.

Ahold was featured, with its Super Stop

& Shop banner, in our very first iteration of this report back in 2002, but has not appeared since. It now reappears under its Giant banner. And although we've featured other Supervalu banners, this is Acme's

	% Over Wal-Mart	Wegmans	% Over Wal-Mart
	56.69%	1.99	56.69%
	33.07%	1.99	56.69%
	33.56%	1.99	33.56%
	-11.24%	2.50	40.45%
	99.50%	2.99	49.50%
	100.00%	1.67	67.00%
	76.92%	0.49	25.64%
	20.56%	1.29	-47.98%
	82.32%	5.98	82.32%
	33.00%	3.99	33.00%
	25.95%	1.49	-5.70%
	23.44%	0.89	39.06%
	42.45%	2.50	79.86%
	33.04%	0.99	-11.61%
	54.73%	1.31	-11.49%
	26.26%	2.50	26.26%
	70.69%	0.99	70.69%
	21.65%	3.49	6.40%
	19.46%	3.59	7.49%
	11.45%	3.69	3.07%
	47.06%	1.25	83.82%
	99.33%	1.99	32.67%
	99.33%	1.99	32.67%
	33.89%	3.59	20.47%
	-22.80%	2.29	-40.67%
	51.52%	0.50	51.52%
	59.09%	0.79	79.55%
	-22.66%	1.49	16.41%
	-3.85%	0.79	51.92%
	0.00%	1.34	7.20%
	35.23%	3.29	10.40%
	32.98%	2.00	6.38%
	0.51%	1.69	-14.65%
	-16.29%	0.99	-44.38%
	-3.61%	2.54	-34.54%
	39.89%	1.99	11.80%
	-28.51%	7.98	14.33%
	35.37%	1.69	14.97%
	14.66%	3.99	14.66%
	2.84%	3.93	1.29%
	1.02%	0.99	1.02%
	0.67%	1.99	-33.00%
	2.84%	2.99	-22.94%
	-61.41%	0.50	-83.22%
	47.60%	2.50	0.00%
	25.76%	2.00	1.01%
	-19.76%	1.69	-31.85%
	49.50%	2.50	25.00%
	60.22%	0.99	6.45%
	11.74%	1.99	-33.22%
	101.52%	2.49	25.76%
	20.56%	1.99	-19.76%
	20.60%	115.05	5.07%



first appearance in our study.

Perhaps most interesting, this is the first time that prices at Wegmans have been surveyed for this study.

Indeed, Wegmans' showing in the study amply illustrates why it is such a powerful chain. Well respected for quality and

assortment, with its marketplace-like entries rich with fresh and prepared foods, including bountiful fresh produce departments, one is tempted to think of this as some kind of epicurean, upscale store. Yet, on prices, Wegmans gives even Wal-Mart a run for its money, coming out at only 5.07

How They Stack Up Against Wal-Mart Supercenter

Region/ Date Surveyed	Store	% over Wal-Mart	Store	% over Wal-Mart	Store	% over Wal-Mart
Connecticut-5/02	Super Stop & Shop	23%	Shaws	34%	Big Y	36%
Salt Lake City-10/02	Harmon's	2%	Smith's	6%	Albertson's	12%
South Florida-2/03	Super Target	22%	Publix	31%	Winn-Dixie	52%
Dallas, Texas-10/03	Albertsons Neighborhood Market	23% -1.2%	Brookshires Tom Thumb	7% 27%	Kroger	19%
Portland, OR-3/04	Albertsons Safeway	30% 37%	Fred Meyer	22%	Haggen	27%
Phoenix, AZ-8/04	Albertsons Safeway	22% 17%	Bashas	25%	Fry's	15%
Palm Springs-10/04	Albertsons Vons	19% 20%	Jensen's	60%	Ralphs	16%
Detroit, MI-1/05	A&P Food Basic Meijer	-17% 3%	Farmer Jack	24%	Kroger	28%
St. Louis, MO-5/05	Dierbergs Save-a-Lot	22% -12.76%	Schnucks	14%	Aldi	-25.03%
Houston, TX-9/05	HEB	15%	Kroger	30%	Fiesta Mart	-0.3%
Atlanta, GA-11/05	Harry's Publix	18% 13%	Ingles Target	16% 3%	Kroger	25%
Denver, CO-5/06	Albertsons	16%	King Sooper	21%	Safeway	25%
Portland, OR-10/06	Albertsons Safeway	32% 30%	Fred Meyer	21%	QFC	54%
Toronto Canada-7/07	A&P Sobeys	35% 45%	Brunos	28%	Loblaws	13%
Kansas City, KS-10/07	Dillons Price Chopper	20% 13%	Hen House	15%	Hy Vee	18%
Los Angeles-4/08	Fresh & Easy Vons	15% 14%	Stater Bros	8%	Ralphs	25%
Orlando, FL-10/08	Publix Winn-Dixie	32% 28%	Super Target	22%	Whole Foods	38%
Phoenix, AZ 4/09	Wal-Mart Marketside Fresh & Easy	23% 32%	Neighborhood Market Fry's	7% 27%	Bashas Safeway	30% 37%
Raleigh, NC 9/09	Food Lion Kroger	24% 21%	Fresh Market Super Target	31% 11%	Harris Teeter	35%
Philadelphia 5/10	Acme Superfresh	17% 21%	Genuardi's Wegmans	22% 5%	Giant	26%

Wal-Mart Supercenter vs 5 Chains Price Comparison — Philadelphia, PA Prices Available To Loyalty Card Holders*

Produce Item	How Sold	Wal-Mart Supercenter	Acme	% Over Wal-Mart	Genuardi's	% Over Wal-Mart	Giant	% Over Wal-Mart	
Produce Item	How Priced	Reg Price	Reg Price	% Over Wal-Mart	Reg Price	% Over Wal-Mart	Reg Price	% Over Wal-Mart	
Apples - Fuji	Lb	1.49	1.69	13.42%	1.69	13.42%	1.49	0.00%	
Artichokes	Each	1.78	2.50	40.45%	2.50	40.45%	1.99	11.80%	
Asparagus	Lb	2.00	1.99	-0.50%	3.29	64.50%	2.99	49.50%	
Avocados	Each	1.00	1.00	0.00%	0.99	-1.00%	1.25	25.00%	
Beans - Green	Lb	2.48	1.99	-19.76%	2.99	20.56%	1.69	-31.85%	
Blackberries	12oz Package	3.28	3.98	21.34%	6.00	82.93%	2.50	-23.78%	
Blueberries	6oz Package	3.00	5.44	81.33%	3.29	9.67%	2.99	-0.33%	
Broccoli Crowns	Lb	1.58	2.19	38.61%	1.69	6.96%	1.69	6.96%	
Cantaloupe - Whole	Each	1.39	2.50	79.86%	3.49	151.08%	2.50	79.86%	
Dips - Marzetti	16.5oz	3.28	3.00	-8.54%	3.49	6.40%	3.79	15.55%	
Grapefruit - Red	Each	0.68	1.00	47.06%	1.29	89.71%	1.00	47.06%	
Grapes - Green Seedless	Lb	1.50	1.99	32.67%	2.99	99.33%	1.99	32.67%	
Grapes - Red Seedless	Lb	1.50	1.50	0.00%	1.99	32.67%	1.99	32.67%	
Jar Fruit - Del Monte	20oz Jar	2.98	4.48	50.34%	3.00	0.67%	3.69	23.83%	
Kiwi	Each	0.33	0.50	51.52%	0.69	109.09%	0.33	0.00%	
Lemons - Bulk	Each	0.44	0.66	50.00%	0.79	79.55%	0.66	50.00%	
Lettuce - Iceberg Bulk	Each	1.28	1.99	55.47%	1.49	16.41%	0.99	-22.66%	
Limes - Bulk	Each	0.52	0.66	26.92%	0.50	-3.85%	0.66	26.92%	
Mangos	Each	1.25	1.00	-20.00%	0.99	-20.80%	1.25	0.00%	
Oranges - Navel Bag	Bag 8lbs	6.98	7.98	14.33%	5.99	-14.18%	5.99	-14.18%	
Pears - Bartlett	Lb	1.47	1.89	28.57%	1.59	8.16%	0.69	-53.06%	
Pistachios - Bag	Bag 10.5oz	3.88	4.48	15.46%	5.24	35.05%	3.27	-15.72%	
Salad - Caesar	Bag Wht: 9.9oz	3.88	4.93	27.06%	4.29	10.57%	2.50	-35.57%	
Salad - Garden	Bag Wht: 6oz	2.98	0.75	-74.83%	0.75	-74.83%	2.50	-16.11%	
Salad - Spring	Bag Wht: 5oz	2.50	3.49	39.60%	3.49	39.60%	2.50	0.00%	
Spinach - Bulk	10oz bag	1.98	2.51	26.77%	1.99	0.51%	1.99	0.51%	
Squash - Zucchini	Lb	2.48	1.49	-39.92%	1.49	-39.92%	1.99	-19.76%	
Strawberries - 1# Pkg	Package	2.00	3.99	99.50%	2.49	24.50%	4.49	124.50%	
Sweet Potatoes / Yams	Lb	0.93	1.00	7.53%	0.89	-4.30%	0.89	-4.30%	
Tomatoes - Grape	10oz bag	2.98	2.46	-17.45%	2.46	-17.45%	3.49	17.11%	
Tomatoes - On the Vine	Lb	1.98	3.49	76.26%	2.99	51.01%	2.99	51.01%	
MARKET BASKET PRICE		109.50	127.11	16.08	122.39	11.77	116.91	6.77	

*Adjusted if all items in original market basket were purchased using Loyalty Cards

percent above Wal-Mart's prices — a differential small enough to be overcome by other attributes from location to quality to employee attitude — Wegmans has consistently been named to the "Best Places to Work" list published annually by *Fortune* magazine.

PRICING APPROACHES

We run price comparisons two ways. First, we look at what prices anyone would pay as they walk in the door. This includes advertised prices, but does not include discounts one can get by having a loyalty card.

On this basis, Acme, the local market leader, beats out everyone in the study other than Wal-Mart itself and Wegmans, coming in with prices 17.25 percent above Wal-Mart's. A&P's Superfresh banner comes in next with prices 20.60 percent above Wal-

On the surface, it seems like the Supervalu banner in the regime is pretty competitive...However, when we look at how loyalty card pricing alters the competitive landscape, then one realizes that Supervalu has its work cut out for it.

Mart's, while Safeway's Genuardi's banner found itself at 22.25 percent over Wal-Mart's prices and Ahold's Giant came in a full 26.30 percent over Wal-Mart.

On the surface, it seems like the Supervalu banner in the region is pretty competitive. Wal-Mart and Wegmans are both much less expensive and offer larger stores with a more extensive assortment, but Acme offers a real price advantage over the efforts of A&P, Genuardi's and

Giant. However, when we look at how loyalty card pricing alters the competitive landscape, then one realizes that Supervalu has its work cut out for it.

Wegmans, Acme and Superfresh offer loyalty card programs called Shoppers Club, SuperCard and Club Card, respectively, but Wegmans did not use it at all to offer reduced produce prices on any of the market basket items in this study, and both Acme and Superfresh barely used it for

Superfresh		% Over Wal-Mart	Wegmans		% Over Wal-Mart
Reg Price		% Over Wal-Mart	Reg Price		% Over Wal-Mart
1.99		33.56%	1.99		33.56%
1.58		-11.24%	2.50		40.45%
3.99		99.50%	2.99		49.50%
2.00		100.00%	1.67		67.00%
2.99		20.56%	1.29		-47.98%
5.98		82.32%	5.98		82.32%
3.99		33.00%	3.99		33.00%
1.99		25.95%	1.49		-5.70%
1.25		-10.07%	2.50		79.86%
3.99		21.65%	3.49		6.40%
1.00		47.06%	1.25		83.82%
2.99		99.33%	1.99		32.67%
2.99		99.33%	1.99		32.67%
3.99		33.89%	3.59		20.47%
0.50		51.52%	0.50		51.52%
0.70		59.09%	0.79		79.55%
0.69		-46.09%	1.49		16.41%
0.50		-3.85%	0.79		51.92%
1.25		0.00%	1.34		7.20%
4.99		-28.51%	7.98		14.33%
1.99		35.37%	1.69		14.97%
3.99		2.84%	3.93		1.29%
3.99		2.84%	2.99		-22.94%
1.15		-61.41%	0.50		-83.22%
2.99		19.60%	2.50		0.00%
2.49		25.76%	2.00		1.01%
1.99		-19.76%	1.69		-31.85%
2.99		49.50%	2.50		25.00%
1.49		60.22%	0.99		6.45%
3.33		11.74%	1.99		-33.22%
3.99		101.52%	2.49		25.76%
130.33		19.02	115.05		5.07



STORES SURVEYED

Wal-Mart
2101 Blair Mill Rd.
Willow Grove, PA 19090

Giant
315 York Rd.
Willow Grove, PA 19090

Superfresh
3070 Welsh Rd.
Willow Grove, PA 19090

Genuardi's
389 Easton Rd.
Warrington, PA 18976

Wegmans
1405 Main St.
Warrington, PA 18976

Acme
200 Blair Mill Rd.
Horsham, PA 19044

The fact that loyalty cards bring both Ahold's Giant and Wegmans within shooting distance of Wal-Mart — with Safeway's Genuardi's not far behind — is a situation we have not typically seen.

that purpose.

In contrast, both Genuardi's and Giant extensively used their loyalty programs, called Club Card and BONUSCARD, respectively, to provide their members with value in fresh produce and, in so doing, dramatically alter the competitive landscape.

In fact, the second way we look at prices, which is to assume a customer has every loyalty card program out there, pro-

vides some insight into the challenges that Supervalu faces with its acquisition of most of Albertsons.

Although Acme becomes slightly more competitive with Wal-Mart, with its prices being 16.08 percent over Wal-Mart's prices, and Superfresh also shaves a bit on its numbers by coming out at 19.02 percent over Wal-Mart when loyalty card discounts are included, Genuardi's becomes dramatically more competitive when loyal-

ty card discounts are included, with its prices being 11.77 percent over Wal-Mart's. And Giant suddenly moves into competitive pricing range of Wegmans and Wal-Mart, with its prices coming in at only 6.77 percent above Wal-Mart's prices.

This dramatically changes the competitive position of both Acme and Superfresh. Whereas based on "walk-in" prices, these two chains are the value proposition in the market — Wal-Mart and Wegmans aside



— when loyalty card prices are considered, Acme and Superfresh become the higher priced supermarkets in town, and Safeway's and Ahold's operations offer the better prices, at least as far as conventional supermarkets go.

The fact that loyalty cards bring Ahold's Giant within shooting distance of Wal-Mart — with WEgmans already there and Safeway's Genuardi's not far behind — is a situation we have not typically seen. Is this a sign that Wal-Mart is looking to boost margins and thus allows other retailers to get closer in price before it responds?

Is it just a sign of the growing sophistication with which companies such as Safeway and Ahold use loyalty card programs? Or is this a peculiarity of the greater Philadelphia market? Or just these particular stores near Wal-Mart's Willow Grove store?

Stay tuned for additional iterations of PRODUCE BUSINESS' Wal-Mart Pricing report to find out. **pb**

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Reader Service # 81

Canada's Culturally Influenced Produce Consumption

Experts say a heavily European-influenced culture affects produce retailing, which also causes Canadian retailers to go the extra mile for their customers.

BY THERESA BRAINE

Canadian retailers are working hard to get consumers to buy and eat more produce in light of increasing rates of obesity and related diseases in that country.

However, statistics indicate that Canadians may eat more of the good stuff than their North American neighbors.

Retailers may not be the deciding factor when it comes to explaining why Canadians consume more fruits and vegetables than their U.S. counterparts. The consensus among food producers and distributors is that Canadians may simply grow up inculcated with habits that don't warrant the presence of Chef Jamie Oliver and his new American hit television show, *Food Revolution*, in the school cafeteria.

CULTURAL DIFFERENTIATION

What causes that difference, and can retailers help bridge it? The consensus is that culturally, the two countries have a different attitude toward food. With early-childhood nutrition education, Canada lays the groundwork for better habits, even though the country is not without its obesity problems.



Canada's early-childhood nutrition education lays the groundwork for healthful adults eating habits.

"What it really comes down to is the Canadian diet," said Rick Antle, president and CEO of Tanimura & Antle Inc., a Salinas, CA-based grower and distributor. "The analogy is that Americans eat for fuel — it's like a Nascar race, 'How fast can we eat and get back out to the race?' whereas in Canada's heartland, the focus is placed on the pleasure of eating, the pleasure of being with friends and gathering at a certain time of day. Then there's the French-Canadian love of food, drink, creating the environment and the multiple courses."

"You've got the extremes, from the French-Canadians, where a lot of effort goes into the preparation, to an American, for whom driving to a 7-Eleven or a McDonald's is their idea of a meal," Antle continues. "You don't see a French-Canadian driving down the road with a bagel and a cup of coffee on their way to work. They go into a cafe, sit down, have coffee, talk with friends."

Thus, the differing consumption habits are reflected in, rather than formed by, supermarket produce departments. But with their incorporation of social media, fewer restrictions on what can be imported and the attention produce retailers pay to issues surrounding consumers, Canadian retailers seem to have a few things to teach American retailers.

Shopping habits differ too, according to Dawn Gray, senior vice president of sales, marketing and categories at The Oppenheimer Group, headquartered in Coquitlam, British Columbia. "Canadian consumers are quite comfortable with frequent shopping trips, prioritizing fresh ingredients, often over convenience, for their family meals," she explains. "Urban Canadians enjoy a specialized style of shopping, similar to those in European countries, making a number of different stops throughout the neighborhood that include the baker, the butcher, the greengrocer, the fishmonger and so on."

"In addition," Gray continues, "Canada's culture is more European-based than their American counterparts because of Canada's closeness with the

British Commonwealth. That means we are probably holding fast to more European habits, including a penchant for serving more fresh fruits and vegetables as a matter of routine."

A more diverse ethnic mix also accounts for some of the difference, according to Lianne Wand, marketing and communications manager for the Canadian Produce Marketing Association (CPMA), based in Ottawa, Ontario. "While both countries have a large multicultural diversity, the ethnic mix of immigrants as a percentage of the total population is higher in Canada," asserts

Wand. "This is a result of an increase in immigration from countries around the world over the past 30 to 40 years where produce consumption may be greater."

RESULTS AT RETAIL

A few other theories also hold sway. "There's more variety in Canada," notes Virginia Zimm, president of Faye Clack Communications Inc., located in Mississauga, Ontario. "We have far more SKUs in Canada, and our produce departments are probably far larger."

In addition, Gray points out a focus on

"Canada's culture is more European-based than their American counterparts because of Canada's closeness with the British Commonwealth. That means we are probably holding fast to more European habits, including a penchant for serving more fresh fruits and vegetables as a matter of routine."

**— Dawn Gray
The Oppenheimer Group**

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bulk over packaged goods, which "gives shoppers the sensory experience of selecting their fruits and vegetables, which is lost with packaged items. While we are seeing more grab-and-go options coming into the picture as the demographic bulge shifts to a younger generation, the Canadian supermarket of today is characterized by less packaging than its American counterparts."

Although Canada has fewer restrictions on international imports because its Northern climates prevent the country from growing much of its own crops as the U.S. does, Zimm and others don't think that affects consumer preferences.

Paul Marier, senior vice president of sales and marketing for Fisher Capespan Canada Inc., out of Montreal, Quebec, reports Canadian chains tend to look to the more worldly U.S. retailers for something to emulate. "As far as stores and produce departments go, while Canadian and U.S. supermarkets might look the same, the differences might lie in a store's geographic location. For example, a Toronto store may be as cosmopolitan as a Chicago store, while a midland Canadian store might resemble something from the U.S.'s Midwest.

"Social media is starting to become a really hot vehicle for exchanging information and ideas about food. It's really about embracing any opportunity possible."

**— Virginia Zimm
Faye Clack
Communications Inc.**

The retailers advertise in many of the same ways too, so the stores tend to look similar in each country, Marier adds, which makes the regional differences in Canada much more marked than the cross-border differences with its Southern neighbor. "Attitudes can be a bit different, though. A typical U.S. retailer response is something like, 'Well we're more meat-and-potatoes people down here,'" Marier explains. "However, Canada doesn't quite feel that way."

"Early-childhood nutrition education is an important component," Zimm adds. Thus, consumption habits and trends begin outside the store, and Canadian supermarkets are good at capitalizing on those. "Social media is starting to become a really hot vehicle for exchanging information and ideas about food," she reports. "It's really about embracing any opportunity possible. For instance, if an American consumer picks up a magazine with a story about okra, and that magazine is something American women are reading, it behooves retailers to stock okra. They need to be part of the equation in terms of turning this ship around and creating a better health opportunity for all concerned. Canada probably does a better job of that. We differ in that perhaps our industries are more integrated. We pay attention to what's happening topically, and we respond to that in the retail environment."

However, Zimm notes several U.S. retailers are good at such integration, including Tops, Wegman's, Harris Teeter and of course, Whole Foods, with its "real plethora of choice."

Then there are retailers such as the one that opted out of selling a certain item for

fear it wouldn't sell, until media buzz got so big because of a marketing campaign that store officials changed their minds, knowing they couldn't come up empty-handed if a consumer came in asking for the item.

CREATING CUSTOMER VALUE

Canadian retailers, Faye Clack's Zimm theorizes, tend to be more proactive than American ones. "The retailers in Canada are better equipped to respond to consumer demand because they're prepared to understand what's happening outside out of their

own realm. It's like being more aware and being a part of that value chain. Everything is consumer driven, and if the retailer does not understand what the consumer wants, then the retailer will fail."

U.S. retailers have improved vastly over the past 10 years but still have a bit to learn. "It's all about cross-merchandising," Zimm says. "People buy combinations of things. If the food industry were to take a page out of the fashion industry, they would sell more food." While U.S. retailers group prepared items together into ready-to-eat meals, most haven't made the leap into doing so for produce ingredients and



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Flame													
Sugraone													
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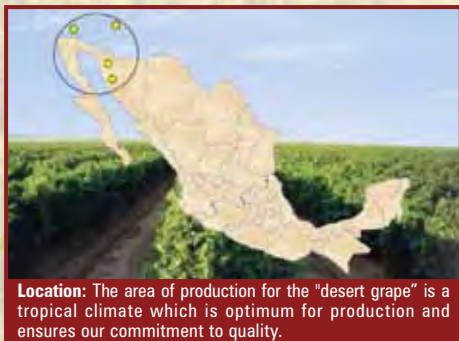
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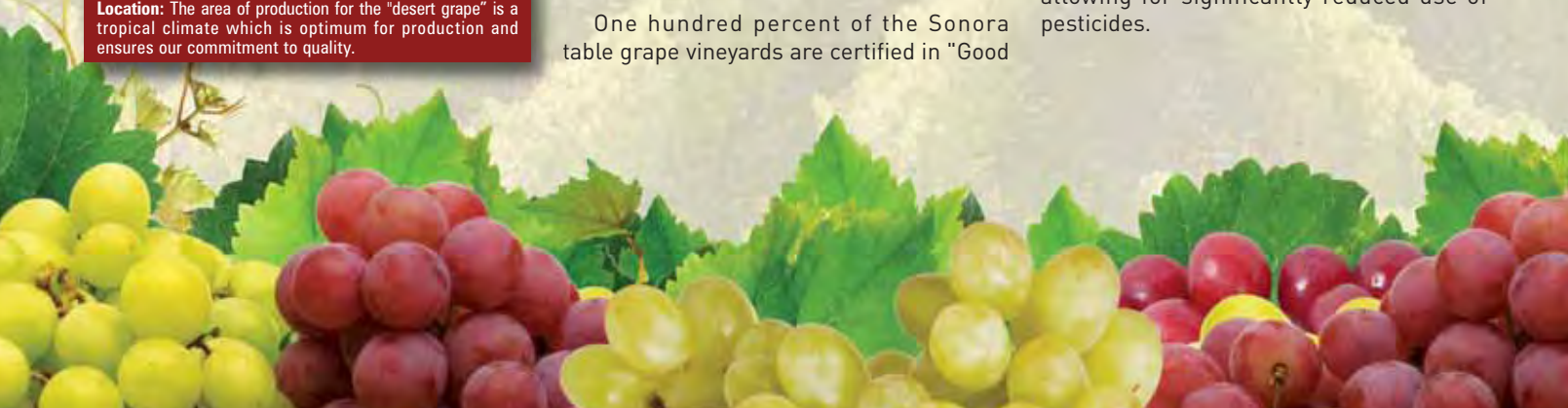
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Sonora's grapes fill the "gap". As customers catch spring fever and look to the fresh products of summer, Sonora grapes can be promoted as the first fresh product of the season.

Insight from Mexico

An interview with Juan Alberto Laborín, general manager of ALPUM (association of grape producers) in Hermosillo, Sonora, MEXICO

Q: What is the most important thing buyers should know about Mexican Grapes?

A: We are the first option of fresh grapes grown in the Northern Hemisphere. And, the quality of our grapes is outstanding due to the highly qualified skilled labor from the Mexican people and of course, the Sonora Desert.

Q: Has Mexican grape production and exports increased in recent years? If so, why?

A: Production has been stable and export volume has been about the same. The big difference is that Mexican Grapes are going to at least three new countries every year, adding more than 25 countries last year!

Q: What can you tell buyers about the quality and safety of Mexican Grapes?

A: Quality and food safety are essential in the Mexican Grape industry. This crop

has been grown by well educated and environmentally-conscious agricultural business men. All Mexican Grapes are inspected by USDA; and at least other nine government agencies have the right to inspect them for quality and food safety, among others. We have all kind of certifications, like Mexican Federal SENASICA, Mexico Supreme Quality, Mexico GAP, SQF and Global GAP, just to mention some of them.

Q: What would you say demonstrates the Mexican grape producers' commitment to the US market and the US buyer/consumer?

A: Mexican Grapes have been on the shelves for U.S. consumers for more than 35 years — that shows confidence and product trust.

Q: How can US buyers better support their Mexican suppliers? What can buyers and suppliers/producers do together to better market Mexican grapes?

A: Mexican grapes offer world class quality. We are ready to prove it. I think buyers are already supporting us and we appreciate it very much. We have been growing constantly in volume and the number of stores handling Mexican grapes; grapes have proved to be within the top three more profitable fresh items in store. Good promotion on the quality, food safety, environmental commitment and of course social responsibility of the Mexican grape industry as a whole would add to our success.

Q: What is in store for the future of the Mexican grape industry?

A: We expect bigger shelf-space. We are improving year after year in each aspect of our product, including safety, packaging, logistics, service, varieties and of course, quality commitment.

FOR MORE INFORMATION:

Please contact the Agricultural Office at the Embassy of Mexico :



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For more information on the Mexican grape industry, please visit www.aalpum.com.mx

Reader Service # 59

meal ideas. Although some chains will display a recipe, the shopper still must roam around the store to find the ingredients, for the most part, adds Zimm.

Some Canadian retailers go a step further and hire actual health care professionals — nutritionists and dieticians — to talk to people about nutrition, Zimm points out. “A retailer could really create a value-add for consumers by providing instructions for a nutritionally balanced meal created by an in-store dietician, certified healthy and creating a climate of trust showing they care about the health of their customers,” she explains. “They need more people in the store who actually know about food and can talk to the consumer about food. It’s taking it to that next level.”

People walk up to these staff members, chat with them and learn about vegetables. Zimm notes this illustrates her point exactly, “turning the store into a more service oriented locale, than a simple food purveyor. That’s where we’re going.” For example, one Canadian company has found a technological savvy way to go about this, with the addition of a touch-screen kiosk featuring particular products that prints out recipes in the produce department. It is currently being tested in 15 stores.



While Canada does not grow as much of its own produce as the United States, due to its colder climate, locally grown produce is still important to Canadians.

“Maybe it’s just more a part of our normal diet,” says Fisher Capespan’s Marier of Canadian produce-buying habits. “It has taken hold over time.”

Oppenheimer’s Gray believes keeping the right assortment in each store, catering to the demographics of each neighborhood, is also key. “With our diverse population, the cookie-cutter approach just doesn’t work anymore,” she asserts. “The great news is that suppliers and retailers have some very effective tools, like scan data, IRI data and

demographic analysis, available to help us solve this fascinating puzzle together.”

In the end, the two countries’ retailers may not be all that different, admits the CMPA’s Wand. “There are very successful U.S. retail organizations,” she says. “Whether in the United States or Canada, more focus on marketing of produce, selecting the best fit for their own clientele and demographic that address the convenience and value proposition sought by an increasing number of consumers is key.” **pb**

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State Departments Of Agriculture Marketing Efforts

As the locavore trend continues, state efforts are more important — and successful — than ever before, and your local state department of agriculture can play a major role in gaining customers' dollars.

BY CAROL BAREUTHER, RD

Marketing efforts by state departments of agriculture are nothing new. In fact some programs, New Jersey's Jersey Fresh and Texas' Go Texan, for example, have been in existence for over 20 years.

Yet, the focus on local products, accompanied by consumers' interest in where their food comes from and their desire to support neighborhood farms in a troubled economy are making these marketing efforts more popular and productive than ever.

The interest in buying local products is present at both the national level and state level, says Wendy Lee White, marketing specialist for the Lakewood-based Colorado Department of Agriculture (CDA). "Our research shows that 92 percent of Coloradoans would buy more Colorado-grown products if they were available and identified as being from Colorado."

Consumers are willing to pay more for local,

says Robert Beets, marketing specialist with the Tennessee Department of Agriculture, headquartered in Nashville. "More than half of consumers we surveyed a few years ago said they were willing to spend more for locally grown products. Their perception is that local is fresher, better for you, and therefore, more valuable."

Retailers that have networked with state agricultural departments to implement a locally grown program are reaping rewards to their bottom line. For example, in 2008, Wal-Mart sourced about \$400 million in locally grown produce from farmers nationwide and calculated that the total freight and gasoline savings combined for peaches alone was more than \$1.4 million, according to a company release.

Julie Andrews, state coordinator for media and advertising at the Austin-based Texas Department of Agriculture, which runs the Go Texan marketing program, adds, "Recent promotions have led to retail sales increases of between 5 and 600 percent for promoted commodities."

Grower members of state agricultural marketing programs are benefiting, too. For example, in 2008, Go Texan members saw more than \$129 million in direct sales increases a year from their membership, based on reported sales data.

Yet, there's more to effectively marketing locally grown produce in-store than simply having product available. State agricultural departments are the kingpins in helping retailers to do this in a number of creative ways.

WHAT WORKS

Most retailers and foodservice operators today embrace locally grown produce, taking advantage of the creative marketing efforts with the help of state agricultural marketing programs.

Signage/Point-of-Purchase Materials: Many state branding programs have high recognition of their logos with consumers. For example, according to 2009 survey results, White reports, "Some 67 per-



This year, Idaho Preferred, run by the Idaho Department of Agriculture, has made a concerted effort to promote the state's locally grown products at retail.

Photo courtesy of Idaho Department of Agriculture



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cent of people are very or somewhat familiar with the Colorado Proud logo, up from 59 percent in 2008. This awareness is affecting buying decisions and is translating into increased sales of Colorado products. For example, the survey showed that 55 percent of shoppers are looking for the Colorado Proud logo more often when shopping now than they used to, and that 84 percent purchased at least some Colorado products."

Last August, the Denver, CO, division of Safeway Inc., headquartered in Pleasanton, CA, launched a campaign to significantly increase its focus on locally grown produce. This included premier in-store placement for local produce and attractive Colorado Proud-logo signage. Other POP materials included in the campaign are 'locally grown' reference maps that geographically illustrate the location of key local farmers and tell the farmer's story.

Colorado isn't the only state to assist retailers in this way. In Texas, Andrews says, "We work regularly with retailers and producers to develop POP materials as well as conduct in-store demonstrations to encourage consumers to purchase locally grown agricultural products."

Similarly, the Atlanta-based Georgia Department of Agriculture assists retailers



Photo courtesy of New York Department of Agriculture

Using POP signs throughout the store helps bring attention and sales to locally grown products.

to promote fresh produce through point-of-purchase signage at the supermarket as well as through other promotional activities. Spokesperson, Yao Seidu, says, "The Kroger supermarket chain is one enterprise that advertises and promotes locally grown products in close association with Georgia Grown signage."



Photo courtesy of South Carolina Department of Agriculture

The Trenton-based New Jersey Department of Agriculture offers logo stickers, banners, pennants, bin wraps, price cards and posters all with the Jersey Fresh logo. "These materials are an effective way for retailers to let customers know which products are grown in the state," says Al Murray, director of marketing and development.

Last summer, the Buy California Marketing Agreement, based in Sacramento, partnered with Safeway's Northern California division and the Southern California division of Albertsons, a subsidiary of Eden Prairie, MN-based Supervalu, in a POP promotion that featured floor decals in the produce departments. Nick Matteis, program assistant manager, reports, "The decals read, 'Enjoy the color of California and live in a healthier state.' They each included photos of summer produce items such as cherries, kiwi and asparagus."

Ceiling danglers, channel strips and aisle interrupters with the 'Certified SC Grown' logo are all POP that the Columbia-based South Carolina Department of Agriculture has developed for retail use. Martin Eubanks, director of marketing, says, "Many retailers will use POP throughout the store, not just in produce, and tie in all products produced or grown in the state. It's a good way to have consumers connect the dots." Last summer, the state introduced a new movement, called Palmettovore — South Carolina is the Palmetto State — which encouraged South Carolinians to purchase and consume only produce and products grown and processed in the state.

Ad Programs: For more than a decade, the Florida Department of Agriculture and Consumer Services (FDACS), based in Tallahassee, has encouraged retailers to use its

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"The trend toward more people cooking at home in a down economy offers the opportunity to promote locally grown produce by teaching consumers how to prepare it. Demos are great tactical merchandising tools."

**— Dan Sleep
Florida Department
of Agriculture and
Consumer Services**

Fresh from Florida logo in ad incentive programs that run annually from November to May. "The program started in 2000 with two Florida chains and we had 298 store ads," reports Dan Sleep, development representative supervisor. "In 2009, we had 11,728 stores participate and 413,000 ads."

The combination of identifying where the product is grown via use of the Fresh From Florida logo in ads and offering the product at a discounted price has improved the bottom lines of both retailers and growers over the years. "Blueberries are a good example," asserts Sleep. "In 2002, blueberries were an \$18 million market for the state. That was the year we started ad incentives with 329 stores. In 2009, there were over 4,600 store ads and blueberries' value as a crop had risen to \$73 million. This year, we're starting ad incentives for our early peaches with retailers such as Sweet Bay and Publix. We expect to start with a \$1 to \$2 million crop."

Taste Demos & Cooking Schools:

Offering a taste of locally grown produce is a good way to inform shoppers of its availability and entice them to buy, advises Leah Clark, program manager for Idaho Preferred, run under the Boise-based Idaho Department of Agriculture. "This year, we're making a push to involve more of our local chains in the program. For example, we're working with Costco to include more Idaho-grown products in their weekend demos."

"The trend toward more people cooking

at home in a down economy offers the opportunity to promote locally grown produce by teaching consumers how to prepare it," points out Sleep. "Demos are great tactical merchandising tools."

From February to May, as part of its participation in the FDACS' Fresh from Florida marketing program, Publix Super Markets, headquartered in Lakeland, FL, featured a variety of the state's produce during its in-store Simple Meals cooking demonstrations in stores throughout the Southeast region. During the demo, a Simple Meals associate prepares a recipe, offers samples to shoppers

and answers questions. Each produce item was showcased as part of a featured meal for three to four days at a time. Recipe cards for the meal were displayed at the Simple Meals kiosk and in the produce department next to the specific produce ingredients.

Also as part of the promotion, the FDACS' culinary ambassador, Chef Justin Timineri, taught handling and preparation techniques for Florida products and how to use these ingredients to make specific recipes at five Publix Cooking Schools. For example, at the chain's Boca Raton cooking school in March, Timineri's menu included Crab Salad in



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States Use Social Networking To Tout Produce

Social networking through Facebook, Twitter and blogs are ways state departments of agriculture are now promoting locally grown produce and helping retailers to do the same. For example, Julie Andrews, state coordinator for media and advertising at the Austin-based Texas Department of Agriculture, notes, "We started our Go Texan Facebook page the beginning of this year and had 1,300 friends in the first three months."

In March, an entry alerted followers to a story in the *San Antonio Business Journal* announcing that television cooking show host, author and chef, Michael Flores, will be the face of a new bi-lingual Go Texan watermelon campaign.

The Tallahassee, FL-based Florida Department of Agriculture and Consumer Services (FDACS) began using social media in 2009, says Yolanda Roundtree, development representative supervisor for the bureau of development and information. "We first started our Fresh From Florida blog in January, then ventured into Facebook in April, and lastly, Twitter in June. We are continually looking for ways to promote our Florida agricultural producers and products and social networking seemed like a new, innovative way to connect with consumers."

As of March, the FDACS has more than 2,100 followers on Twitter, over 4,600 fans on Facebook and average more than 1,000 weekly hits on its blog. FDACS staff update on Twitter between five and seven times a day with a variety of posts including articles, events, contests, press releases and more. Followers are often asked questions to

engage them. Examples of recent updates on twitter include: "Duda Farm Fresh Foods donated over 2k lbs of fresh Florida citrus in support of 'Fresh for Ellen,' a social media effort to increase Ellen Degeneres' consumption of fresh produce, and 'Take a cooking class with Chef Justin next week! Publix Cooking Schools in Jacksonville, Tampa, Sarasota & Boca Raton.'"

In March, the FDACS ran a contest on Twitter where followers were asked to answer trivia about Florida strawberries. The department is planning to do more of these types of contests throughout the state's growing season.

As for retail promotion, Roundtree says, "When any news stories or information from Fresh From Florida retailers pop onto our radar, we like to share them with our Twitter followers and occasionally blog about them." In the past, the department has done spotlight posts on its blog to help promote smaller and locally owned Florida establishments like farmers' markets and other retail outlets. For example, one of the retailers profiled was Bedner's Farm Fresh Market in Boynton Beach.

In the future, says Roundtree, "We're working on a weekly blog feature that will highlight which stores have Florida produce on sale that week and specifically what commodities. We already track these for our retail spring promotions, and we thought it would be a great feature to add to our blog and link to Twitter and Facebook. We are always looking for new opportunities to work more with retailers that feature Florida products."

pb

cantaloupe are displayed for sale and there are opportunities for customers to meet local farmers.

Clark details, "Wal-Mart runs its farmers' market promotion for 10 days. All the fresh produce is set up on the sidewalk either between the two front doors or in front of the garden center or inside the front of the store. Shopper's can't miss it, especially with all the logos and signage."

The biggest promotion the Las Cruces-based New Mexico Department of Agriculture runs with retailers is its Get Your Fix Green Chile promotion. David Lucero, director of marketing and development, says, "When we first started six or seven years ago, we did the promotion in about 400 stores primarily in the Southwest. Last year, the promotion ran in over 2,300 stores nationwide with retail sales of more than \$23 million."

Central Market, an 8-unit chain, located in Ft. Worth, TX, is one retailer that runs a Hatch Chile Festival each year. The chain orders some eight truckloads of chiles from Hatch, NM. The festival spans two weekends and features a recipe contest and cooking classes.

Marketing Vehicles: Retailers throughout the state of North Carolina call on the Raleigh-based North Carolina Department of Agriculture & Consumer Services to schedule its Got to be NC "Big Cart" for store openings and special promotions. The cart, which is sponsored by the department and a handful of local companies that range from a peanut grower to bakery and meat company, is certainly eye-catching. It is 12½ feet tall, and 15½ feet long, with a 396 Chevy engine that allows marketing specialist, G.W. Stanley, to maneuver it into position in a supermarket's parking lot. "The shopping cart gets people's attention and is designed to increase the awareness to buy North Carolina grown or produced foods," says Stanley.

This spring, Carlie C's IGA, a 13-store

Watermelon Cups, Curried Chicken and Green Bean Salad and Sweet Corn Cakes with Spiced Yogurt Sauce.

Simple Meals and the Publix Cooking Schools are components of Publix's Aprons program that helps introduce consumers to products and teaches them easy ways to prepare wholesome meals.

Special Promotions: A farmers' market promotion is how Wal-Mart stores in Idaho celebrate September, dubbed by Idaho's governor, in 2007, as Idaho Preferred Month. While state-grown products are available at Wal-Mart stores year-round, this special promotion marks the height of harvest for local producers. A large variety of fruits and vegetables including potatoes, pumpkins, watermelon, squash, onions and



Photo courtesy of North Carolina Department of Agriculture

The Got to be NC Big Cart is used at store openings and special promotions. Sponsored by the NC Department of Agriculture and some local companies, the cart is a can't-miss at 12½ feet tall and 15½ feet long, with a 396 Chevy engine.



Consumer awareness of logos for local marketing programs directly translate to increased sales. Thus, it is advantageous for retailers to use POS that incorporate them.

chain based in Dunn, NC, used the cart to draw attention to local product in-store as part of the opening of its new store in Fayetteville, NC.

TV Advertising: Each year, the CDA promotes the Colorado Proud program and logo through a television advertising campaign on Channel 9, Denver's NBC affiliate. The ads run from July to September and highlight the quality and diversity of Colorado produce and local products. "Safeway is one of the sponsors of our annual television advertising campaign," says White of the CDA. Last year, Colorado Proud and sponsors such as Safeway, as well as the Colorado Lamb Council, Colorado Potato Administrative Committee and the Western Dairy Association, ran 1,430 ads and reached 98.2 percent of households an average of 28.6 times and 97.7 percent of adults, ages 25 to 54, an average of 14.3 times.

"Beyond this," adds White, "King Soopers uses the logo and Colorado Proud message extensively on billboards, television ads and radio ads. Our goal is to continue our successful television advertising campaign, and all Colorado Proud members are invited to participate."

In Idaho, Paul Market, an 8-store chain, based in Boise, runs television commercials each season featuring the store owner inviting customers to come buy state grown product in-store. Idaho Preferred's Clark notes, "We co-op the ads with them."

LINKING GROWERS WITH RETAIL BUYERS

Retailers' desire for locally grown produce is carefully weighed against stringent specifications, no matter what the size of the grower. For example, White reports, "Safeway requires its local vendors to meet the company's strict safety and quality standards

for planting, growing, harvesting, handling and transporting. Before produce reaches the store, Safeway conducts multiple inspections for quality, flavor and appearance."

State departments of agriculture also help growers meet the safety specs desired by retailers. White says, "We are educating producers about GAP and GHP and the services that are available. Our Fruit and Vegetable Section provides certification. Currently 15 to 20 produce companies in Colorado have undergone the GAP/GHP Audit Verification Program."

Similarly, says Murray of the New Jersey Department of Agriculture, "We provide training, in conjunction with Rutgers University, to help farmers pass third-party audits. Over 1,400 farms in the state have received third-party audit certification."

The Texas Department of Agriculture and Texas A&M researchers are partnering to create several GAP manuals, reveals Andrews. "With the help of USDA specialty crop funding, Texas A&M Extension developed 125 GAP manuals tailored to individual grower operations. These manuals help growers become GAP-certified and better educated on these practices. This effort has been expanded and now includes the development of a curriculum, workshops and a Web site to increase producer knowledge and use of GAP. In addition, the Texas Department of Agriculture will reimburse producers for a portion of the GAP certification fees if they complete the curriculum."

Even with all necessary quality and safety requirements, small growers can face the hurdle of getting their product to market. This is another area in which state departments of agriculture come in handy. Bill Kimball, director of ag protection and business development services for the New York Department of Agriculture, says, "Our state

"In recent years, our staff has worked with wholesalers such as Sysco and U.S. Foodservice to distribute local produce to small retail and foodservice outlets and to get product from small farms in the western part of the state into markets in New York City."

**— Bill Kimball
New York Department
of Agriculture**

has more small farmers than mega-farms. In recent years, our staff has worked with wholesalers such as Sysco and U.S. Foodservice to distribute local produce to small retail and foodservice outlets and to get product from small farms in the Western part of the state into markets in New York City."

"In addition," says Andrews of the Texas Department of Agriculture, "We are working to initiate conversations with major statewide distributors to see how we can partner to promote locally grown produce and can help interested retailers. Many retailers have changed their purchasing and procurement guidelines to allow for direct delivery to a local grocery store chain."

Finally, staff members at state departments of agriculture work as matchmakers by introducing growers to buyers and helping buyers find growers of desired products.

The Tennessee Department of Agriculture's Beets remarks, "We conduct farm tours for retail produce buyers. We've also conducted Pick Tennessee trade shows with up to 50 booths. The last one we did was in February, 2008, and we'll be holding another one this spring."

"An electronic version of the New York Department of Agriculture's Farm Fresh Guide," says Kimball, "is something we hope to have up and running within a year. This will make matching buyers and sellers easier and faster."

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Sambrailo Packaging is a third-generation family-owned company that has served the produce and floral industries since 1923. With locations in California and Mexico, we have built our reputation on innovation, service and quality. Known for “design to distribution” packaging solutions, Sambrailo Packaging has always focused on “whatever is best for the produce.” This motto continues to be the unifying motivation in the continuing success of Sambrailo Packaging.

Sambrailo specializes in improving and designing packaging systems for berries, grapes, tomatoes, leafy greens and value-added produce. We then enhance our products with our superior service — including on-site clamshell labeling, tray make-up, vendor managed inventory and warehouse-to-field distribution.

Sambrailo starts by listening — listening to the needs of the grower/shipper, the retailer and the consumer. By staying closely tuned in to each of these three segments, we are able to devise innovative packaging solutions, which add tremendous value to food packaging.

For example, Sambrailo was the first to develop a plastic clamshell for berries. Similarly, we have continued to provide improvements to the industry with a patented freight-saving MIXIM System. This unique packaging matrix of clamshells, trays and pallets dramatically cuts down on cooling time and product bruising while maximizing freight cube. Each feature results in cost savings throughout the distribution chain.

Through years of experience, Sambrailo has accumulated unparalleled knowledge of both our customers and their products. When this savvy is combined with our ingenuity and ability to stay in front of trends, the results are a win-win for all. For example, we foresaw the effects that the larger strawberry varieties would have on the clamshell capacity needs and have proactively come to the market with a MIXIM LV (large volume) 1-pound clamshell.

Similarly, Sambrailo saw an opportunity to remove steps from the process of shed packing leafy greens. This led to the development and introduction of the patented Snap Flap clamshell. This 1-piece design replaces the lid-and-till style container for many retail and foodservice applications. It features a dual-hinged top with a center-snap closure and can be filled, closed and labeled in one efficient process. The label automatically provides a tamper-evident seal for consumer confidence and safety.

Because the Snap-Flap was initially developed to answer the needs of the leafy greens market, Sambrailo commissioned the construction of an automatic, custom-built packing line. This machine is currently being used to pack leafy greens into the Snap-Flap for retail sales.

Sambrailo recently rolled out a family of RunRite blueberry clamshells. Designed for

high-speed packaging equipment, the RunRite denests, fills, closes and stacks more efficiently and with less down-time than any other currently on the market. The RunRites are available in

4.4- and 6- oz. sizes, as well as 1-dry pint sizes.

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Take Stock In Ripened Fruit Programs

Growers, shippers and retailers alike are realizing the selling power behind pre-conditioned fruit.

BY HOWARD REILL

When it comes to consumers' insistence on immediate gratification, fruit is no exception, which explains the growth in ripened, or preconditioned, programs at supermarkets across the nation.

While the industry has done a superb job over the past decade of improving packaging, handling, post-harvest treatment and transportation to make such programs possible, the hardest work falls on the retailers themselves to ensure the ripened fruit is handled properly and promoted well enough to move it before becoming unmarketable.

Since most produce items are impulse buys, it is important to have ripe and ready-to-eat fruit displayed, according to Katiana Valdes, marketing coordinator for Del Monte Fresh Produce North America Inc., based in Coral Gables, FL. "The majority of customers purchase produce with the

intent of eating it in the next few hours or days, and they expect to find ripe fruit on the shelves," she explains. "That being said, it is also important to have a variety of stages available for those customers who want their produce ready in the days following purchase."

Jan DeLyser, vice president of marketing for the Irvine-based California Avocado Commission (CAC), emphasizes retailers can stimulate avocado purchases by merchandising some fruit that is ripe and some that will be ripe within a few days. "That way, shoppers can buy for same-day usage and for later in the week," she explains. "Point-of-sale materials with recipes and usage ideas promote incremental purchases."

One industry executive who asked not to be named asserts, "The issue, basically, is that when people came up with preconditioning, they thought, 'The fruit needs to be ready to eat. We don't want to have to tell consumers to go buy a piece of fruit and wait three or four days.' That's really been the motivation behind all of these ripening programs. Now they have developed this technology and found the correct temperatures and humidity levels so that this fruit would be ready to eat."

Has ripened fruit become easier to sell to consumers? "The answer is yes, but not everyone does preconditioned programs," says Gordon Smith, director of marketing for the Reedley-based California Tree Fruit Agreement (CTFA). "Our growers' products are a little bit different than bananas, avocados and pears. Over the past 20 years, more stone fruit guys are doing preconditioning programs. However, it really depends on the retailer-supplier relationship and what they're trying to provide."

Smith continues, "The technology was developed across a huge amount of varieties over the years on how to put them in preconditioning rooms. They were able to increase different humidity levels and temperatures, and then once they got it to the desired pressure, drop it back down and ship it that way. What it means overall — depending on the retailer — is that some people feel it's a



Separating product by stages of ripeness enhances a preconditioned program, as consumers can buy fruit to eat immediately and some to eat later.



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better piece of fruit."

DeLyser notes, "A good way to increase avocado sales is to promote ripe avocados. Shoppers demand ripe avocados as much as four-to-one over firm fruit."

STAGED EVENT

For display purposes, Del Monte has found that the product should be separated by ripeness stage to facilitate different consumer choices. "Separation of ripe and unripe fruit also helps reduce damage and bruising since customers won't have to shovel and poke through all the product to find the ripeness they are looking for," Valdes explains. "It is imperative the fruit is not only ripe, but of the right quality. Quality should always come first. If a retailer skimps, it hurts sales and, in turn, the industry."

"The trend for bananas, for example, is for there to be a ratio of 60/40 or 70/30 ripe to green," Valdes points out. "But the primary objective is to ship bananas at a consistent color stage." Displaying both color stages two and five, for instance, will provide consumers with the choice to purchase the ready-to-eat product immediately or to have some ready for the next days. "Also, this practice allows there to be a good product rotation at store level," she adds. "It is best to have a larger variety at retail, as nothing can

"The trend for bananas, for example, is for there to be a ratio of 60/40 or 70/30 ripe to green. But the primary objective is to ship bananas at a consistent color stage. This practice allows there to be a good product rotation at store level."

**— Katiana Valdes
Del Monte Fresh North
America Inc.**

Crunches, Leaners, In-Betweeners

Nearly three years ago, the Reedley-based California Tree Fruit Agreement commissioned a national telephone survey asking the question: Are you a Cruncher, Leaner or In-Betweeners? Here is what it turned up about American peach, plum and nectarine consumers:

- 17 percent are Crunchers. The Cruncher enjoys the taste and texture of peaches, plums and nectarines that are on the firm, crisp side.

- 33 percent are Leaners. These consumers like their fruit soft and juicy.

- 50 percent are In-Betweeners. The In-Betweeners look for fruit that is softly firm and slightly juicy.

- Men are more likely than women to be Crunchers, preferring their peaches, plums and nectarines firm and crisp. For example, 18 percent of men prefer their peaches crisp,

while only 11 percent of women prefer them on the firm side.

- Fruit lovers in the South, more so than those in other parts of the country, tend to enjoy their peaches, plums and nectarines on the soft and juicy side. In fact, 35 percent of residents of the South prefer their plums to be soft and juicy, compared to 30 percent in the West, 29 percent in the Northeast and 27 percent in the North Central part of the country.

- Americans aged 65 years and older are more likely than their younger counterparts to be Crunchers. When it comes to eating California nectarines, 21 percent of those 65 and older are Crunchers, while only 11 percent of the 25-to-34-year-old demographic prefers their peaches, plums and nectarines firm and crisp.

pb

Source: *The California Tree Fruit Agreement and PPN Network*

hurt sales more than not having color."

According to Del Monte, an increasing number of retailers is finding that in order to maintain sales in the avocado category it is important to stock mostly ripe and ready-to-eat fruit. "Customers prefer to purchase ripe avocados," Valdes suggests, "and most stay away from purchasing them green. Many retailers have requested that Del Monte ripen the avocados for them, while some have chosen to ripen the product themselves. Either way, if you have a ready-to-eat fruit on the shelf you should let consumers know by stickering them."

The CAC's DeLyser agrees, reporting, "Avocados with ripe stickers can outsell non-stickered avocados by as much as 28 percent at retail." Compare those numbers to shrink levels of 3 to 8 percent from retailers that have a dedicated ripe avocado program, according to DeLyser, and the advantages of offering preconditioned fruit become clear.

JUMPING HURDLES

David Byrne, vice president of sales for Thermal Technologies, with headquarters in Blythewood, SC, is among those who has noticed the demand for ripened fruit swelling. "Watching what's occurred with the supply chain over the past 10 to 15 years, there is technology in place now that would allow you to provide a consistently ripened product," he says. "It may not be obvious to everyone, but consumer research shows that is what consumers want to buy. It follows naturally that if consumers want

to buy it and we can find a way to get it to them, there is a payoff."

Thermal Technologies specializes in the ripening piece of the supply chain. The company designs and builds custom ripening rooms for a variety of wholesalers and retailers. In fact, says Byrne, retailers are probably his largest customers. "Nine of the Top 10 retailers in the United States, including companies such as Wal-Mart, Kroger and Safeway, use our system. But then there are guys like Blue Star Growers, which is a pear shipper, in Cashmere, WA, that also has our rooms. They condition pears and send a whole truckload of ripened product at a time to Wal-Mart, for example, which will distribute that internally to their various stores."

The technology available today has allowed for a great deal of consistency, which has always been a top priority for retailers. "They want to know exactly what they are going to get so there are no surprises; that the fruit is not riper or less ripe than expected," he adds.

Byrne points out that retail handling is and always has been a prime challenge when it comes to perishables such as ripened fruit. "Retailers tend to have a varying labor force," he remarks. "Managing the fruit at retail is key. There is a saying in the banana industry that the last 50 feet of the 2,000-plus-mile supply chain, from the back room to the retail display, is the toughest part. You can do everything right all the way to the back room, and then it can fall on its face if it gets mismanaged."

"Avocados with ripe stickers can outsell non-stickered avocados by as much as 28 percent a retailer."

**— Jan DeLyser
California Avocado
Commission**

What can go wrong during that last leg of the journey may be less a matter of what employees do than what they don't do. When it comes to bananas, for example, which is where much of Byrne's experience lies, "The fruit needs to be uncapped," he notes. "The lids need to be taken off; the plastic needs to be pulled back — from the back room to the retail display — because ripening fruits tend to produce varying amounts of heat."

Back rooms of stores are generally not ideal conditions for all of the types of fruit being sold. "There might, for example, be a cooler back there that is perfect for pears, but you can't put your bananas in it," Byrne explains. "You have to treat each item the way it best needs to be treated based on your best circumstances."

"What that means to managers is that if the back room is very warm, they had better get the bananas uncapped and their plastic peeled back," translates Byrne. "Otherwise, the fruit is going to heat up too rapidly and ripen too fast and then you're going to have fruit that ends up not being sellable. It's all about managing the process for the 24- to 48-hour period that it's in their possession. I think most stores these days are getting a delivery every two days, and many are getting daily deliveries, so the longest any store would typically have to manage fruit would be for two days."

WORKING TOGETHER

Dennis Kihlstadius, CEO of Produce Technical Services, located in Bemidji, MN, points out the dichotomy of an industry working hard to increase produce usage and growers who want to get something to market without it being rejected. "You have someone at the retailer's corporate office saying, 'I want something the customer can take and eat,' and the grower is becoming paranoid because he's had fruit rejected

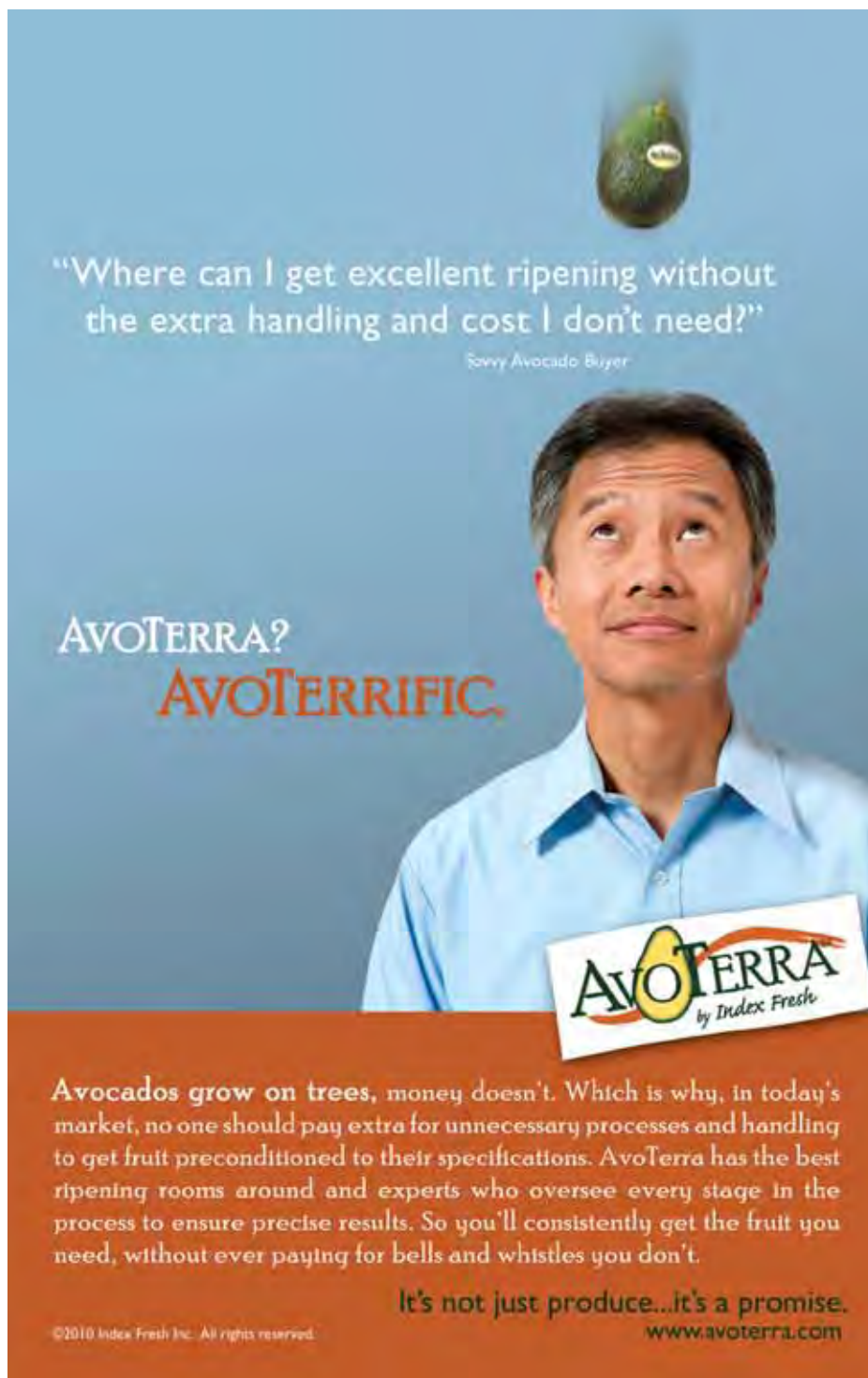
because it couldn't make it through the retail channel and hang on the shelf. It's like a dog chasing its own tail in a way," he explains.

The answer, Kihlstadius believes, is twofold: Retailers need to be more accepting of ready-to-eat fruit and train their department personnel to help move it more quickly. "It's like a restaurant flipping its tables," he maintains. "That high school kid working in the produce department after school has a hard time telling people what's good and bad. Teach him to educate the consumer on what to look for in mature fruit."

CTFA's Smith suggests that the trend

going forward will be for more fruit to be preconditioned, since retailers have helped shoppers become accustomed to finding ready-to-eat produce. "I think that for retailers, what it means is that as the produce section becomes more competitive. With an increasing number of SKUs, people want to be able to eat whatever it is they're buying immediately. Consumer research shows that there is no one perfect peach. That's where a retailer can offer a variety of options, depending on what consumers want."

"While some consumers like firm, crunchy stone fruit," Smith notes, "others



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prefer them soft and juicy. In fact, that was the focus of our consumer education campaign a few years ago. It was called, Are You a Cruncher, Leaner or In-Between? [See related sidebar on page 56.] We would say that by offering that range of products, retailers can make sure their consumers can get what they want."

"Del Monte's goal," Valdes says, "like its competitors, is to provide retailers with new sales opportunities and to help them generate profit. Should a retailer prefer ripe fruit, but choose not to ripen certain products, such as bananas and avocados in-house, our distribution centers, with modern, pressurized ripening rooms, can do this for them and guard against moisture loss and ensure box weight. We provide full technical support and expert merchandisers that work



with our retailer's produce department to guarantee optimal product quality, product display and merchandising."

"For retail customers," Valdes adds, "Del Monte uses sophisticated category management tools that ensure optimal product merchandising and customized recommendations that fit each individual store's consumer profile."

"The last word," Smith concludes, "is that the cold chain has become fantastic, and retailers have become more sophisticated as they have learned more about their consumers. It's important to be able to offer a range of stone fruit — peaches, plums and nectarines — that meets the desires of the consumers who want their fruit soft and juicy or a more conventional, crunchier piece of fruit."

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Reader Service #35

Southern Vegetables Coming On Strong

In spite of an unusually cold winter, the South shall raise vegetables again!

BY KEN HODGE

The winter of 2009-10 will be remembered as an unusually cold one in the South.

Tomatoes were in short supply and other Southern vegetables are as much as two weeks behind schedule, thanks to cold, wet weather in Georgia, the Carolinas and the rest of the South. Now that spring is finally here, consumers are eager to eat traditional Southern favorites such as tomatoes, peppers, beans, cucumbers, squash and corn. As retailers promote these fresh, tasty items, they'll bring shoppers flocking to the produce aisle ready to shake off the winter blues. Thanks to better weather, they shouldn't have to wait any longer for abundant supplies.

FLAVOR WORTH THE WAIT

Southern vegetables are definitely worth the wait and supplies may be excessive, as harvest in some growing areas may overlap and bring lower FOB prices compared to March and April. "The weather has thrown a wrench into the works," says

Tim Greene, a partner in Hollar and Greene Produce Co. Inc., a family-owned cabbage supplier in Boone, NC. "Everything planted for the end of April and the first of May will come in the middle of May. Everything is all pushed back and will come on together. It seems like a new pattern. There is no way to estimate seasons."

At the Atlanta Farmer's Market in Forest Park, GA, Andrew Scott, sales and procurement manager for General Produce Inc., expects prices to moderate as production normalizes in warmer weather. "It's been a real challenge," he reasons. "Prices have been so high, consumers have not been buying as much Florida-grown product. Most of the United States has been relying on Mexican-grown produce. In May, consumers will welcome lower pricing on cucumbers, bell peppers, squash and green beans. We should see pricing come down due to volume. With two, possibly three growing regions harvesting at once, there should be promotable volume to go around for everyone."

In Florida, freezing temperatures affected a variety of vegetables, but Brian Rayfield, vice president of sales and marketing at J & J Produce Inc., in Loxahatchee, expects good production later from Florida and normal supplies from growers to the North with whom he works to provide year-round supplies to buyers. "We're coming off a very challenging winter," he admits. "Many items were unavailable for a long time. We've had the highest retail FOBs I've ever seen. We expect things to be normal in Georgia and to overlap with Florida at first. We hope to have plenty of fresh, good-tasting produce at more affordable prices."

Hurley Neer, director of sales and marketing at Eubanks Produce Inc., located in Lucedale, MS, says weather has pushed the company's peppers, cabbage, cucumbers, eggplant, snap beans, tomatoes, squash and sweet onions "back a bit," but adds, "we'll have very good volume this year. We're expecting no change in that. One of our biggest advantages and differentiators is harvesting and getting produce to market within 24 hours, deliver-



Consumers look forward to Southern staples such as squash, beans, corn, peppers and cucumbers.

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ing fresh produce to customers daily. We've had calls asking about our start date."

LOCAL PRODUCE: THAT SOUTHERN MYSTIQUE

Consumers in the South love locally grown vegetables, Neer maintains. "When it gets warm in the Gulf region, they start looking for their homegrown items," he points out. "We raise tried-and-true vegetables. People look forward to them every year. These things are very popular in the South and consumption continues to grow."

J.D. Grubb, director of procurement at C.H. Robinson Worldwide Inc., in Eden Prairie, MN, agrees. "Consumers certainly want to support more local products," he states. "The 2009 FMI Grocery Shopper Trends study found one in every six U.S. consumers is going out of his or her way to buy local food as much as possible, with potential for further growth, especially among younger consumers. Many retailers and food service operators are already implementing a local program. There is a consumer impression that local products are fresher, healthier and taste better."

Locally grown produce is a "big deal" at Piggly Wiggly Carolina Co. Inc. of Charleston, SC, according to Stan Ahl, produce director. "We do a very intensive local program, starting in the spring and all through the summer and even into the winter," he explains about produce promotions. "Locally grown items are very much in demand when they come out. The consumer knows they are local, especially the fruits."

Just across the Intracoastal Waterway from Charleston, local growers produce tomatoes on Johns Island, where a local eatery is even called the Tomato Shed Café. Charleston shoppers prize Johns Island tomatoes, asserts Ahl. "They have grown tomatoes

there forever," he says. "Anybody here knows that it's a popular local tomato. When they first come out, they're very popular."

Food Lion LLC of Salisbury, NC, uses promotional materials from state departments of agriculture to alert customers to locally grown produce, according to spokesperson, Tom Gardner. A chain owned by Brussels-based Delhaize Group, Food Lion touts North Carolina's "Got to Be NC" marketing campaign and uses other in-store resources to highlight local produce.

"At Food Lion, we want to ensure that we have the highest quality fruits and vegetables our customers demand at the low prices they expect," Gardner explains. "We have seen some consumer trends for locally grown campaigns that are raising awareness of local produce with our customers; however, when possible, we have always strived to carry all local vegetables...This includes vegetables that aren't traditionally considered to be Southern, though they are produced locally in the South."

A FORCE ON THE EAST COAST

Considering freshness, flavor and variety, southern growers are a real force in the East Coast supply chain, says Bill Brim, partner in Tifton, GA-based Lewis Taylor Farms. "Southern vegetables are well accepted in the East," he says. "We sell back into Chicago, too. With our Georgia Grown project — whenever anybody grows in Georgia and uses the label — it is seen as quality merchandise. Once consumers see it's Georgia Grown, they really like that."

Charles Hall, executive director of the Lagrange-based Georgia Fruit & Vegetable Growers Association, agrees, "Overall, consumers know these items are coming from

Georgia, particularly Southeastern consumers. Lots of retailers have worked with our growers on locally grown products out of Southern Georgia for metro markets. I think locally grown promotions will continue to expand. People are interested in knowing where their food comes from."

Daniel Whittles, director of marketing and product development at Boca Raton, FL-based Rosemont Farms, a C.H. Robinson Worldwide Inc. company, adds, "Demand and acceptance for Southern vegetables is outstanding at both the retail consumer level, as well as with the foodservice customer. There is such a strong quality and value proposition, it makes consumers happy and accepting of these vegetables."

Speaking about Georgia and its neighbors, Brim adds, "Most definitely we are a power here in the South in vegetables. We don't have the acreage California does, but, as for farmers in Georgia, South Carolina, Alabama and the rest of the Southeast, we grow very good vegetables."

"Buyers want to support local farmers, but they only harvest two or three months a year, then they're out. We help small regional growers standardize quality control and food safety compliance and get their produce to buyers we service year-round. Buyers can support locally grown produce without worrying about quality or safety."

**— Brian Rayfield
J & J Produce Inc.**



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Rayfield of J & J Produce points out, "We were involved in locally grown produce before it became a buzzword. That's what we do," he says. "We find the best local growers and work with them. Buyers want to support local farmers, but they only harvest two or three months a year, then they're out. We help small regional growers standardize quality control and food safety compliance and get their produce to buyers we service year-round. Buyers can support locally grown produce without worrying about quality or safety."

The mystique of high quality, flavorful Southern vegetables is bringing back some crops formerly grown in the South, according to Nick Augostini, marketing specialist at the Raleigh-based North Carolina Department of Agriculture. He says the proximity of Southern farms to Eastern markets enables them to deliver vegetables at peak freshness and flavor, making them extremely competitive. "Big broccoli farms kind of died off in North Carolina and now they're making a comeback," he explains. "We used to grow a lot of broccoli here and it just dropped off. It's a great crop. I think the reason for the comeback is all the health benefits. Farmers are growing what people want. That's Marketing 101."



Photo courtesy of Vidalia Onion Committee

The Vidalia Onion Committee's new promotion pairs *Shrek Forever After* with Vidalia onions and uses a variety of attention grabbing, high-graphic POS items.

SIGNIFICANT SOUTHERN PLAYERS

It may be small, but neighboring South Carolina also plays an important role in the Southern vegetable deal, according to Martin Eubanks, director of marketing for the Columbia-based South Carolina Department of Agriculture. "We are a player in summer fruits and vegetables. We're not the biggest state and not the biggest in production, but with our location and window, our growers do a fantastic job with high quality, dependable products."

South Carolina has also seen a marked increase in crop diversity recently as growers try new crops and bring back older ones, according to Eubanks. "We grow the typical array of Southern vegetables and have some new things like broccoli and older crops like asparagus, which we grew back in the early 1900s. We raise all major types of tomatoes and have seen a significant increase in sweet corn production in the past five years. Our corn season starts in late May or early June and can carry us through the summer. It's a nice addition to our product mix."

Piggly Wiggly's Ahl points especially to items such as broccoli and broccoli crowns, cilantro, parsley and green onions that add local flavor to the fare in the franchise's supermarkets. "They're grown here pretty much year-round," he notes. "We absolutely try to carry as much locally grown produce as possible."

South Carolina peach grower, Chalmers Carr, president and CEO of Titan Peach Farms Inc., in Ridge Spring, has diversified

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Technology Helps Southern Growers Deliver Quality Vegetables

As trucking costs rise, Southern growers are looking outside the box to crops ordinarily sourced in the West, using technology to supply fresh, competitively priced vegetables to Eastern retailers. "Obviously, there's a freight advantage," says Greg Cardamone, general manager for L & M Companies Inc., in Raleigh, NC. "We've seen a resurgence recently in locally grown Southern vegetables. There is a trust factor with your local grower. He's in the area. He does a good job with quality and flavor. Consumers relate to that and regard products from neighboring states as local, too. Retailers want farmers to grow more items," he adds. "Something different is always a plus. Anything local generates interest."

New California emission standards are costly, causing many truckers to halt service to the Golden State, says Doug Stoiber, vice president of produce transportation operations for L & M Transportation Services, also in Raleigh. Instead of more trucks, Stoiber predicts the opposite. "Marginal operators went out of business," he reasons. "That creates upward pressure on rates. We'll see a real shortage."

Southern growers of broccoli, asparagus, lettuce and other items, spread forced-air and

hydro-cooling costs over multiple crops. They crush ice and inject slush into broccoli, sweet corn, greens and green onions. Iceless green onions are another option. "Slush ice for broccoli is expensive, but we also use it on mustard, collards and kale," says Bill Brim, partner in Tifton, GA-based Lewis Taylor Farms. "We had a good crop last fall and more good looking stuff is coming. Chain stores like buying it from the East Coast."

Stantonsburg, NC grower, Bill Harrell, sells lettuce to Eastern Fresh Growers Inc., located in Cedarville, NJ. "Once you put your knife to lettuce," he says, "you want to get it in a cooler within an hour. We can do that."

South Carolina peach grower, Chalmers Carr, president and CEO of Titan Peach Farms, Inc., in Ridge Spring, has added bell peppers and broccoli to his mix. "We make our own ice and bought a slush ice machine from Texas for cooling," he says. "That's key, especially for spring broccoli when it gets hot. Cooling it right from the field is very important."

Clayton Rawl Farms Inc., headquartered in Lexington, SC, grows parsley, cilantro, Southern greens and other items, cooling nearly everything, reports manager, Spanky Rawl. "We've been doing it for years," he notes.

"You can't ship produce hot any more. People want quality."

Growing demand for fresh local vegetables is a grassroots phenomenon, according to Nick Augostini, marketing specialist at the Raleigh-based North Carolina Department of Agriculture. "People are more conscious of what they eat," he explains. "There's a lot more call for broccoli. I visited a farm with 15 to 20 acres and watched it grow over two or three months. I took some home. It was probably the best I ever had. It came right from the farm into my home and didn't have that trip across the United States."

Flavor can help the South compete, according to Daniel Whittles, director of marketing and product development at Boca Raton, FL-based Rosemont Farms, a C.H. Robinson Worldwide Inc. company. "To improve the flavor profile of fruits and vegetables, we're experimenting with nutrients above and beyond standard nitrogen, potassium and phosphorus," he explains. "This is being driven by some of our customers. They want us to work with these breakthrough products to take the value proposition for consumers to the next level and create branding and differentiating opportunities for them." **pb**

his operation, expanding his offerings to retailers and becoming a player in new market windows. "We're growing broccoli and bell peppers," Carr reports. "Bell peppers and peaches have a lot of similarities in harvest and other areas, though not in growing. It was a natural crossover and broccoli became a rotation crop for peppers, a pretty good window for us to be in. We have extended our marketing window from 16 to about 38 weeks a year."

OGRES AND ONIONS

Georgia's famed Vidalia onions don't need an introduction as a major southern star. This year's crop may be behind schedule, but Vidalias will be just as sweet as ever, says Wendy Brannen, executive director of the Vidalia Onion Committee (VOC), based in Vidalia, GA. Cold wet conditions delayed growth, but the crop has rebounded more than expected. "We likely won't have as many jumbos as normal," she observes. "We'll have plenty, but we'll also have beautiful consumer packs with mediums. That's a good thing to leverage with shoppers to sell more onions, especially with this year's Ogres and Onions campaign."

That campaign means bags of Vidalia onions and point-of-sale materials will be more colorful this year, thanks to striking



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images of Shrek, playing off the original cartoon movie and tying in with the new *Shrek Forever After*, through a Vidalia partnership with DreamWorks. The materials target not only children, but also parents, to stimulate onion sales.

The question posed on Vidalia materials this year is, "What do ogres and onions have in common?" Taken from a discussion in the original *Shrek* movie, this theme repeats on bins, half bins, header bags and full-wrap bags," Brannen says. Other POS materials include *Shrek* floor stands, display box and bin toppers, tear-off pads with kid-friendly recipes, and a contest featuring prizes such as a Nintendo Wii with a *Shrek Forever After* game. There is also a contest for retailers who execute clever displays and cross-merchandising promotions.

"I'd venture to say we have the best marketing campaign we've ever had," Brannen asserts. "It's all about driving adults and kids to grocery stores to buy Vidalias. The contest will drive them to a brand new Vidalia Web site. We'll also have consumer radio and newspaper ads, as well as ads on school milk cartons. We're excited. We've created this campaign to reach younger audiences and preserve brand equity for the future. We're also banking on the success of the *Shrek* brand with adults to help sell more onions in the short run."

SOUTHERN SWEET POTATOES, TOO

Sweet potatoes have a long tradition as a Southern staple, but have made significant gains in popularity thanks to three relatively recent developments and one growing market niche, according to George Wooten, owner and CEO of Wayne E. Bailey Produce Co., based in Chadbourne, NC. A longtime grower and tireless promoter of the orange-fleshed root crop, Wooten recalls, "About three years ago, the National Sweet Potato Council of the United States did a combined program with Weight Watchers called Pick of the Season. They put our product on their Web site and ran it for a quarter. That kind of lit the brush pile of information we had been piling up for years about sweet potatoes."

"Then, last year, the white potato industry thought they were going to have their lowest inventory in years," Wooten continues. "It shot the price up really high and white potatoes were selling for more than sweet potatoes. In our local market, a major chain had whites at \$1.23 a pound and sweets at 89-cents a pound. I think people began to think, 'Not only are sweet potatoes better for me, they're less expensive.'"

"Now, as Mrs. Obama grows sweet potatoes in her garden, that helps, too," Wooten

adds. "The *Iron Chef* challenge was to use only items from the White House garden, and sweet potato pie was one of the recipes."

A familiar figure at produce shows around the nation, Wooten concludes, "It's amazing the number of articles about sweet potatoes the past few years. They're good for dieters because they're low in calories and high in nutrients. They're good for diabetics, because they don't spike blood sugar like white potatoes."

Kendall Hill, president of Tull Hill Farms Inc. a third-generation sweet potato grower in Kinston, NC, concurs, "Movement of sweet potatoes out of North Carolina around Easter is phenomenal. Acreage is increasing all over the country to meet demand. Per capita consumption is up about a pound in the past year. That's about a 20 percent increase. We haven't seen slower demand even as the economy has been on a downward spiral. It hasn't been that long since some retailers would stop carrying sweet potatoes after June. Now you see displays year-round."

Gardner of Food Lion agrees, noting economic conditions in the South have not seemed to dampen shoppers' appetites for Southern vegetables. "We are experiencing good sales volume in our produce section," he reasons. "In all categories, we have seen consumers looking for lower prices and trying to find ways to stretch their dollars. This includes the use of coupons and an increase of home-cooked meals."

pb

"The 2009 FMI Grocery Shopper Trends study found one in every six U.S. consumers is going out of his or her way to buy local food as much as possible, with potential for further growth, especially among younger consumers."

**— J.D. Grubb
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Reader Service #93

Score Big This Summer With South African Citrus

More than ever, retailers have an exciting promotional opportunity as South Africa sits in the world's sporting spotlight this summer.

BY JODEAN ROBBINS

During a few short weeks this summer, the world will focus on South Africa as it hosts the World Cup of soccer. Retailers who put extra emphasis on South African summer citrus can likewise score big during the summer months.

"Promote, promote, promote the South African summer citrus program and increase your produce dollars," asserts Tom Cowan, South African citrus sales manager for DNE World Fruit Sales, based in Fort Pierce, FL.

Retailers report an increase in enthusiasm and sales for South African citrus each year. "We had our best season ever with South Africa last year, so we're looking forward to a great summer this year," says Dick Stiles, director of produce and floral for Redner's Markets Inc., a 38-unit chain headquartered in Reading, PA.

"There is definitely a huge trend in South

African summer citrus," affirms Paul Kneeland, vice president of produce and floral for Parsippany, NJ-based Kings Super Markets. "Every year, the quality gets better and better and sales expand."

By considering some tips from a sports play-book, retailers can further increase profits and sales of this growing category.

KNOW WHO YOU'RE DEALING WITH

South Africa is the second largest exporter of citrus in the world and produces 60 percent of all citrus grown in the Southern Hemisphere. Joretha Geldenhuys, CEO of the Western Cape Citrus Producers' Forum, (WCCPF) headquartered in Gloucester City, NJ, explains, "Other than the United States, our primary export markets include the European Union, the Far East, the Middle East, Russia and the rest of Africa. The South African fruit bound for the U.S. consumer comes mostly from the Elephant's Valley region between the towns of Citrusdal and Clanwilliam, about two hours Northwest of Cape Town and the Northern Cape, near Kimberley."

The WCCPF is a consortium of 350 South African growers eligible to export summer citrus to the United States. "Our purpose is to facilitate logistical, marketing and sales support coordination," says Geldenhuys. "Our mission is to maintain and expand our role as the preferred supplier in the United States and throughout the world, be a reliable supplier of safe summer citrus for global markets and grow and ship the best summer citrus in the world to the U.S. marketplace. U.S.-bound summer citrus meets and exceeds USDA and FDA protocols by rigorously adhering to its self-imposed Seal-of-Approval Guidelines."

WCCPF recently commissioned qualitative research of key citrus buyers at both national and regional supermarket chains to gain their perceptions of trends in South African citrus sent to the U.S. market. Geldenhuys notes, "For the most part,



Photo courtesy of DNE World Fruit Sales

In addition to the many varieties of South African citrus American consumers already enjoy, they can now look forward to grapefruit as well, thanks to new rulings by USDA's APHIS.



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those interviewed agreed that South African summer citrus was trending positively and that their eating quality continues to improve. All respondents said that quality of fruit was their number one criteria when buying citrus. This was followed by price and the reliability of supply and level of support provided by the suppliers and their importers. All recognize the safety and reliable supply of excellent quality citrus from South Africa."

CARRY ALL THE PLAYERS

Offering the greatest possible variety is always a good approach in any produce category. "Our strategy is to include as much variety as possible," reports Kneeland. "It's not only having what everybody else has, but also having unique items that make us different."

The first shipments of Clementines and early Navels from South Africa are available on supermarket shelves from late May and the first week of June. The season ends in early November with the final shipments of Midnights — a Valencia variety.

"Clementines and Navel oranges are the most popular varieties in the summer citrus lineup and account for the majority of sales," reports DNE's Cowan. "There are some smaller volume niche items that do well such as Minneolas and Cara Cara Navels. Minneolas have a bright orange exterior color and a slightly tart taste. The Cara Cara has an orange exterior color, but a deep red interior flesh. These specialty items are often offered by the higher end retailers looking for something different to attract customers."

In addition to these established varieties, some long awaited changes are on the horizon. Geldenhuys reports, "Following a recent ruling by the USDA's Animal and Plant Health Inspection Service, (APHIS) which has proclaimed new areas of South Africa eligible to export citrus to the United States, expectations are that the American consumer will be able to enjoy South African grapefruit for the first time this summer. The WCCPF is delighted with this development. The first shipments of grapefruit should start arriving in the United States around the first or second week of June."

Producers are also increasing the diversity of what they already export. "Certain varieties of Late Mandarins and Late Australian Navels, both known for their excellent eating quality, have been planted over the past few years," explains Geldenhuys. "Deliveries of these varieties will begin increasing from this season."

"New varieties are researched, planted and tested continuously," reports Hannes de Waal, general manager for Fisher Capespan,

in Cape Town, South Africa. "Producers in this deal live close to their market, probably closer than most. Packinghouses are renewed all the time with the best technology to make sure pack-outs are aimed at retail quality. Innovation and new concepts are a continuous drive!"

"We have seen a trend by retailers using more Clementines in bags, both 2- and 3-lb. sizes," says Cowan. "The bags allow retailers to target a more attractive price point for consumers than the traditional 5-lb. Clementine box. Consumers like the sweet, juicy taste of Clementines, plus the convenience of easy peeling and being a seedless fruit. Clems are a great product for children because they're easy to handle and peel, and have a great sweet taste."

DON'T MISS THE PASS

Summer citrus is a great way to move into the excitement of summer fruit and many consumers are ready to receive it. "Buyers can be more attuned to the demands and expectation of consumers," suggests WCCPF's Geldenhuys. "In addition to the extensive range of local summer fruits on offer, consumers have demonstrated a desire for South African summer citrus. When the shelf space is provided and the products are made available, they sell. Buyers, who are aware of this and provide all the options consumers desire and expect, will reap the benefit of incremental sales and profits."

"We take less gross profit margins on some of the varieties so we can get more aggressive on our price points," states Redner's Stiles. "We then combine the pricing with sampling. Last year, our volume was up quite a bit so I know we hooked more people. Getting people to try them is the key."

Ignoring summer citrus is akin to missing a huge chance to score a goal. "In the past, we've missed these extra sales," laments Stiles. "If we can change our mindset and focus on citrus in the summer, there are probably a hundred different ways we can promote, especially cross-promote, citrus at that time of year."

"Featuring South African citrus in bags or multiple units helps drive sales dollars in the produce department," adds Cowan of DNE. "The bigger the display space for South African citrus, the better the retail sales. Keep displays neat, clean and well-stocked with fresh product. Integrate bags with bulk product to try and get a bigger ring sale."

USE CREATIVE PLAYS

Any promotion, but especially creative ones, will see results. "We know promotions

"Last year, our volume was up quite a bit so I know we hooked more people. Getting people to try them is the key."

**— Dick Stiles
Redner's Market Inc**

increase sales of South African citrus," says Geldenhuys. "We are currently working with our importers to formalize a promotion program for the summer which, among other activities, will include product tastings at select stores."

"Promotions make the product prominent in the well supplied summer fruit season," says de Waal of Fisher Capespan. "It allows for the product to be retailed on an even playing field. It also gives everyone a good idea on new concepts that work, be it changes on price, packaging or different distribution channels."

POS materials and demos are also useful tools for retail promotion. "Educate consumers on these imported varieties by using effective point-of-sale material and conduct in-store sampling of these items when they are at their peak of flavor," advises Cowan. "Promoting items when they are at their peak flavor and supply volumes are crucial for repeat sales."

"We believe that if retailers avail themselves of POS material currently in development for this season and couple it with in-store tastings, it will bring consumers a slice of all the romance of Africa and link the vibrancy of the continent with the great taste of our citrus," states Geldenhuys of WCCPF. "We have no doubt the superior eating quality of the fruit will convert to sales for the retailers."

While summer citrus may be considered out of place, more and more retailers are recognizing the potential of citrus at this time of year. "Oranges don't typically fall under the category of summer fruit, but it doesn't mean you can't have success promoting," says Redner's Stiles.

"There are customers who eat citrus 24/7 so there's always a good reason to promote the category."

"Instead of looking at summer citrus as competition to other fruit sales, we look at it as an opportunity to cross-merchandise and incorporate it with the other summer fruits,"

explains Kneeland of Kings Super Markets. "We can promote it as a new crop, and people like the freshness of it."

Summer outdoor entertaining also presents a huge field of opportunity for promotion and suggestive selling. "Citrus flavors can be associated more with summertime," states Kneeland. "You can promote summer citrus for cooking, grilling, use in marinades and salads, and even drinks like lemonade."

"The cooking aspect for summer grilling or BBQs can be a great tie-in," suggests Stiles. "Cross-merchandising with other fruits in the department as a summer drink is a fun and profitable idea."

And, once again, providing variety in the category yields results. "We've seen retailers creating a summer citrus section and grouping all the different varieties in one area of produce," reports Cowan of DNE. "Featuring Clementines the week before the Fourth of July in 2- or 3-lb. bags and then again later in July will also help drive sales. Increased sales also occur when Navel oranges are featured in multiple units such as 3-for-\$1.99 or in bags during the August period and again after Labor Day when kids return to school."

TIE-IN THE BIG GAMES

The 2010 FIFA (World Soccer Federation) World Cup South Africa to be held June 11 through July 11 presents a great informal tie-in for much retail promotion. "The world's attention is certainly on South Africa with the World Cup," states WCCPF's Geldenhuys. "Although, the WCCPF is not a sponsor of FIFA-related activities there is likely to be a naturally occurring link to our citrus and soccer."

"South Africa will be prominently featured in the global media in June and July," says de Waal of Fisher Capespan. "Pushing our produce to the front of shops and displaying it prominently will lead to better sales."

Similar to other major sporting events, while retailers may not be able to promote the event itself, they can make the link to soccer and tap into the excitement of the time. "Retailers can harness this connection to promote South African citrus," says Kneeland. "The link between soccer and South African citrus is an opportunity. Even though citrus is not officially linked to FIFA, we can promote it like we do with the Super Bowl, for example, saying, 'The Big Game.'"

"Soccer is increasing in interest in the United States and creative retailers can definitely tie in a soccer theme," agrees Stiles.

As soccer continues to increase in interest among U.S. kids, retailers have another huge opening to make a connection with a

"The link between soccer and South African citrus is an opportunity. Even though citrus is not officially linked to FIFA, we can promote it like we do with the Super Bowl, for example saying 'The Big Game.'"

**— Paul Kneeland
Kings Super Markets**

growing and important market. "Retailers can leverage the 2010 World Soccer Cup in South Africa by tying in South African citrus with the youth soccer leagues in their area," explains Cowan. "More kids participate in

youth soccer than any other sport in the United States. DNE and the South Africa Citrus Producers have promotional funds available to publicize this summer event."

Indeed, another summer soccer championship presents promotion potential for retailers from July 20 to 25 as the South African citrus producers sponsor the 2010 U.S. National Youth Soccer Championships. "WCCPF recognizes that youth soccer is a natural vehicle for promoting summer citrus," adds Geldenhuys. "It's the perfect half-time snack and is enjoyed by millions of boys and girls throughout the soccer season. The WCCPF will again sponsor the 2010 U.S. National Youth Soccer Championships to be played in Kansas City, Missouri. We will have an expanded presence at the tournament this year when we will again distribute oranges to each team at half-time, as well as provide spectators with citrus snacks throughout the event."

"Three years ago, we started with regional promotion programs using soccer as a theme," explains de Waal. "Tournaments were sponsored by retailers and importers against a background of South African citrus. At this stage, the game itself with its strong popularity in the United States provides opportunity as much as the upcoming World Cup."

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Despite Obstacles, Organic Berries Continue To Gain Favor With Consumers

Pricing pressure and supply issues may create challenges for the organic berry crop, but retailers and consumers continue to request them.

BY BRYANT WYNES

Perhaps the biggest issue facing those involved in growing, distributing and selling organic berries is that of supply. It's a new twist on the old "If you build it, they will come" line from the movie *Field of Dreams*. In the case of organic berries — if you grow them, they will sell.

CONFRONTING THE CHALLENGES

Chris Christian, vice president of marketing for the Watsonville-based California Strawberry Commission (CSC), believes that, just as with other organic products, simply committing the acreage to organic berries was perhaps one of the biggest hurdles standing in the way of an ample supply. But that's an issue that is being addressed. "Organic berries are a growing category. We have seen remarkable increases in supply over the past seven years, which is directly related to growers making a commitment to organic," explains Christian. "We saw a big jump in organic berry acreage in 2006-2007. This increased California organic berry acreage by 50 percent and naturally added to the marketable supply."

Cindy Jewel, marketing director for California Giant Berry Farms, in Watsonville, CA, agrees. "California Giant has been in the organic berry business for four years and has seen consistent growth each of those years," she reports. Jewell believes that supplies are such that attention now can turn to building a stronger year-round organic berry program. "Everyone is trying to increase their offerings of organic berries, not just



There is much debate over whether it is better to include organic berries in the store's conventional "berry patch" or with other varied organic produce.

the organic retailer such as Whole Foods. We want to be sure that we can help them with an ongoing supply for their customers interested in organic."

This isn't to say that increasing acreage is the only issue the category faces. "Just like their traditional counterparts, organic berries are a fragile commodity, subject to the weather," remarks Simcha Weinstein, director of marketing with Albert's Organics Inc., in Bridgeport, NJ, which has been distributing organic berries since 1982. He adds that weather is a huge variable, often creating product shortages and affecting the quality of the fruit. Given the larger amount of acreage to traditional berries, this, too, is an obstacle for organic.

And then there is the price. As with any produce item, supply dictates price. No surprise that pricing on organic berries runs higher than traditional berry prices. But is that really an issue? "Organic pricing has gotten better," asserts Gary Myracle, executive director of produce field procurement for Kansas City, KS-based Associated Wholesale Grocers Inc. "We don't think the difference is enough to turn away the regular or even the occasional organic shopper." While traditional shoppers might shy away from a \$2.99 price point for organic versus \$1.99 for traditional berries, he maintains the difference doesn't seem to be a deterrent at retail to the organic customer.

"Actually, the price variation is narrow-



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Reader Service # 62

Organic Integration Or Organic Destination?

So what is the correct way to merchandise organic berries? While there are arguments on both integration and segregation, apparently there is no right or wrong answer.

Gaines Chamberlain, produce merchandising manager at Salisbury, NC-based Food Lion LLC, prefers to keep organic berries merchandised with other organic produce. "It creates a destination shop for our customers interested in organic products," he maintains. "They know exactly where to find what they want."

Gary Myracle, executive director of produce field procurement for Kansas City, KS-based Associated Wholesale Grocers Inc., agrees that stores need to have an organic section. "But most of the time, organic berries are integrated with traditional berries, especially when they are on promotion."

However, Jim Roberts, vice president of sales at Naturipe Berry Growers Inc., located in Salinas, CA, counters that integrating organic berries with traditional works better. "We've actually tested this at a traditional retailer and found that integration works better because it attracts new or medium users to the product," explains.

Simcha Weinstein, director of marketing with Albert's Organics Inc., in Bridgeport, NJ, sees both sides of the coin. "I have found if you have the organic berries in a separate section with other organic items, the advantage is that shoppers know when they have landed in your organic area. The downside is that you may have conventional berries featured at the front of your department and if shoppers don't see the organic section, they may assume that the conventional berry display is your only offering." **pb**

ing," contends Jim Roberts, vice president of sales at Naturipe Berry Growers Inc., located in Salinas, CA. "A 30 percent difference was the norm, but we've seen the price gap drop to 20 percent. It certainly has the potential to narrow even more."

Weinstein agrees, noting that price naturally depends on supply, adding that he has seen prices equal to conventional product at times when the market is flooded with organic berries.

What's more, the current downturn in the economy doesn't appear to have had a greater than expected impact on organic sales for a variety of reasons, the first being the continued growth of the organic customer. Suppliers and retailers alike agree that the traditional organic berry shopper remains committed to buying organic. "Heavy users always buy organic," emphasizes Roberts. "While we may have seen some 'medium' users leave, they are moving back."

The CSC's Christian reports the numbers back this up, noting that 1-lb. clamshell organic strawberries saw a 13 percent growth in 2009 vs. 2008, outpacing regular berry growth figures. "Organic strawberries are enjoying an increase in household penetration and volume, reflective of the overall berry category," she points out.

Weinstein notes organic berry pricing has actually experienced a type of deflation. "Even though our overall box count sales may be up, overall dollars sales may not reflect that," he explains, adding, "the dust

seems to be settling somewhat, and overall pricing and sales seem to indicate that."

Another factor that has encouraged sales is a steady supply of crop, due to the acreage that has recently moved to organic. According to California Giant's Jewell, "Organic berry growers have made a commitment. The last thing they want to do is shift organic ground because of a temporary consumer shift in shopping preferences."

VARIETY PROVIDES ADDED SALES BOOST

While strawberries might account for the largest share of the organic berry category, variety berries are contributing to sales and attracting new customers. Roberts credits

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increased variety for healthy sales growth. "At Naturipe Farms, we started with organic strawberries back in 2005 and have seen sales triple since then. But variety berries — blueberries and blackberries, for example — are phenomenal. They're leading to true growth in the category over the past couple of years."

From a retail perspective, this increased variety enables stores to make more of an impact when merchandising the entire category. Miracle of Associated Wholesale Grocers admits the organic berry category is not huge in the Midwest. "However, AWG retailers who are able to commit to merchandising the entire line of organic berries are doing a very good job with it."

KEYS TO RETAIL SUCCESS

Naturipe's Roberts maintains that focus is the difference between a successful program and a mediocre one, and that retailers can view this as either a high shrink category or an opportunity to build their organic business. "There are cost issues, space or display requirements and additional SKUs to consider," he notes. "But the results can be good for the retailer committed to this type of program."

Albert's Organics is working to provide support for its customers' promotional efforts. "We see the largest opportunities coming from promotional programs," discloses Weinstein. "Our efforts are often centered around providing innovative educational signage and marketing tools for our retailers." Developing a solid promotional calendar based on regional harvesting periods is an essential part of this program. "We work to coordinate harvest and planting times with growers so that we are on top of promotional periods," he details.

Successful organic berry promotions require the traditional "must-haves" of any produce promotion according to Weinstein, which include POS materials, accurate volume forecasting and advance promotional pricing, meaning at least eight weeks out. "Extending organic promotions to two weeks is a good idea as well," he suggests.

Roberts adds retailers have an opportunity to capitalize on the growth they have seen in organic berry trials. "I'd recommend retailers make organic berries a focal item in their advertising and promotional efforts," he says.

California Giant's Jewell asserts, "New users are the key to increased growth of the category," she says, adding that while retail leads the effort, the supply side is working to develop the entire category by meeting needs on everything ranging from promotion to pricing models. **pb**



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Reader Service # 90

Sweeten Cherry Sales For Maximum Sales And Profits

Maintaining shelf space, eye-catching displays and full-scale promotions will keep consumers coming back for cherries.

BY CAROL BAREUTHER, RD

Cherries are a sweet profit producer, especially in the summer. In 2009, dollar contribution to total produce department sales surpassed 4 percent after June 1 and reached 6.3 percent in July, according to Perishables Group data as supplied by Yakima, WA-based Northwest Cherry Growers (NCG).

Jeff Fairchild, director of produce for New Seasons Market, a 9-store chain based in Portland, OR, says, "Cherries are No. 1 in dollar sales for two to three straight weeks in July. We display them front-and-center, give them plenty of space and feature them prominently in ads."

To maximize cherry sales and profits, both now and in the future, retailers need to focus on selling a greater volume, over a longer season, and at profitable prices. Here's how.

PLAN AHEAD

The domestic cherry season should start early this year, advises Roger Pepperl, marketing director for Stemilt Growers Inc., with headquarters in Wenatchee, WA. "We're looking at harvest starting the last of April or first part of May out of California. This should allow us to capture the Memorial Day ads that we missed last year due to the crop coming on later and the holiday being earlier in the month."

The Lodi-based California Cherry Advisory Board (CCAB) recommends promoting cherries at least once during May to alert shoppers to the availability of this seasonal fruit. In addition, stores should open up display space in May ahead of when good volume and the high-quality Bing cherries are available in June.

Grant Hunt, president of the Grant J.



Ribboned Rainiers make an eye-catching color break between dark cherries.

Hunt Co., based in Oakland, CA, remarks, "In the Northwest, we expect a 'normal' season with picking starting as early as the first of June versus the second or third week as has happened the past two years."

There will probably be an overlap of Washington fruit with California this year, although not a huge one, recognizes Loren Queen, marketing and communications manager for Domex Superfresh Growers LLC, headquartered in Yakima, WA. "But that's not necessarily a negative," he adds. "We don't want to lose momentum for cherry sales as the industry transitions from California to the Pacific Northwest."

Bob Mast, vice president of marketing for Columbia Marketing International Corp. (CMI), in Wenatchee, WA, agrees. "It's an advantage to us if California has a good season because it means retailers will maintain the enlarged shelf space and continue the promotional push."

What is crucial for the Northwest crop is to be in the market in time to make the Fourth of July holiday promotions. Mast explains, "This is the one big summer holiday that hits for cherries and it's a time when consumers are in the mood to buy fruit for picnics and barbecues. We can move up to a quarter of the Northwest cherry crop over this holiday."

BJ Thurlby, president of NCG, underscores this year's earlier availability. "The important message to retailers this season is that we expect to have significant volume by June 15th to 20th," he details.

Volume of cherries out of the Northwest is expected to be large again barring any weather events prior to June, says Hunt. "Last year was a record crop and expectations are that we'll be in that same threshold of volume again. Industry pundits have given estimates ranging from 16 million to 23 million cartons," he continues. Suffice it

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to say that there will be abundant supplies for full-scale promotions by retailers under any set of circumstances."

The Northwest is home to about 50,000 acres of cherries, reports James Michael, NCG's promotion director. "Acreage has relatively stabilized over the past few years, and combined with the geographic spread, should allow for good-sized, reliable crops for seasons to come," he details.

Cherry supply once looked like a bell-shaped curve with a plateau of 7 to 10 days, says Stemilt's Pepperl. "Now, that plateau is about 25 days out of the Northwest or nearly the whole month of July."

Volume starts to dwindle in August and bottoms out by Labor Day, but many growers are pushing this late season envelope. Pepperl explains, "With acreage at over 3,000 feet and late-season varieties from British Columbia, we can push to Labor Day. There are two benefits to this. One, a lot of consumers want to buy cherries later into the season. Two, there aren't as many cherries around at this time and pricing is good."

SELL CHERRIES BY ANY NAME

Consumers are only somewhat interest-

ed in variety name when it comes to cherries, says New Seasons' Fairchild. "They know the name 'Bing' and many know Rainiers because they look different, but after that, it's just 'sweet, dark, red' cherries that shoppers look for."

Fairchild realized this fact a few years ago when he offered five varieties of dark red cherries for customers to sample. "They couldn't really tell the difference, not enough to buy one over another," he says. "It would be hard to market cherries by variety, too because shippers don't pack them that way — not by individual variety except for the Bing. Plus, the availability of individual varieties is short and the tail-end of one season runs into the start of another."

There is value in using the name Bing in ads and signage, asserts Carolyn Becker, West Coast and national accounts marketing manager for CCAB. "It's the oldest variety and well recognized because it is large and eats well."

Bing is the most recognized variety in the retail world, says Grant J. Hunt's Hunt. "But if you have a nice, dark red variety that is firm and sweet, you'll find little resistance."

Dave Parker, director of marketing for Scattaglia Growers & Shippers LLC, in Traver, CA, agrees and says, "It's vital to have interchangeability, especially early in the season. Bings are naturally late, so it's important to get started with some of the newer, early red cherry varieties such as Brooks and Tulare when the season starts."

However, use of the names of non-Bing varieties could be more than non-effective and even detrimental, says Domex's Queen. "For example, if you advertise Lapins, consumers might react by asking where the Bings are and feel like they should wait until the Bings come in to buy cherries. Ideally, these other varieties should be signed and advertised as 'sweet, dark, red cherries.'"

CMI's Mast says, "We did a promotion in the past that featured the Sweethearts, but it wasn't a big success."

Similarly, says Stemilt's Pepperl, "We've featured the Staccato, a new, late-season variety, but it was more of a niche item."

"However," says Suzanne Wolter, director of marketing for the Rainier Fruit Co., in Selah, WA, "there are still tremendous opportunities to educate both consumers and retail personnel on the differences between dark sweet and Rainier cherries. The majority of consumers still have never tasted, or even heard, about Rainier cherries. Our efforts should be focused on encouraging trial and awareness of Rainier cherries, thereby growing sales."

"Research conducted on behalf of the NCG shows that any effort to educate con-



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sumers, via demos and secondary displays, for example, will lead to a lift in Rainier cherry sales," reports Michael.

Education is part of the Rainier cherry display at Jungle Jim's International Market Inc., a single specialty store, headquartered in Fairfield, OH. "We put up information about the Rainier, what it is and what makes it different, such as its extreme sweetness," says Dave Brossart, general manager for produce and floral.

Rainier cherries Brix in the mid-20 range compared to 17 or 18, which is found in red cherries. Higher sugars as well as a greater expense to farm and pack, due to the high Brix level, means Rainier cherries command a premium price.

Stemilt's Pepperl says, "Rainiers can sell for up to \$1-per-pound or more than red cherries, so retailers really have to tout them as a sweet treat so consumers realize what makes them different. This means in signage and ads and even via electronic media such as Facebook and Twitter."

Approximately 30 percent of the Northwest Rainier cherry crop is sold during the second week in July, thanks to promotions centered around National Rainier Cherry Day, on July 11. The NCG's Michael says, "We do a big public relations push at that time. Many retailers jump on board and run with the theme in ads and promotions. For example, last year, more than 30 retail chains made mention of National Rainier Cherry Day."

"Ideally, retailers should offer dark red sweet or Bing, Rainier and organic cherries to maximize sales," advises Stemilt.

In 2010, California is estimated to produce 1.5 million cartons of organic cherries out of a projected 12 million-box crop, while Washington is forecasted to produce a 3.5 million-box crop of organic cherries out of a total 18 million boxes. Rainier Fruit's Wolter says, "The organic segment of cherry sales is still very small and somewhat stagnant. As a grower, we struggle to maintain pricing at a profitable level and are struggling to determine what volumes of organic cherries we need due to production challenges and general demand. Nonetheless, we will continue to grow them and they do have a place in our product mix."

SIZE MATTERS

Bigger is better when it comes to cherries. Brossart says, "We source the biggest cherries we can find, both red and Rainiers. That means a size 9½ or 9, preferably," he specifies. "Competitors might be able to promote smaller cherries for \$1.59-per-pound while I have to be \$2.29, but we let customers be the judge, and so far, they're buy-

Cherries: One Of The Last Seasonal Fruits

Fresh cherries are one of the few items in the produce department that don't have year-round availability. Imports start in November and run through January from Chile, then pick back up in May from California and end in late August or early September from the Northwest and British Columbia. Thus, there can be as much as five or six months with no fresh cherry availability.

"Seasonality is what gets consumers excited," says Jeff Fairchild, director of produce for New Seasons Market, a 9-store chain based in Portland, OR. "That's a good thing."

There are, however, challenges. Suzanne Wolter, director of marketing for Rainier Fruit Co., based in Selah, WA, says, "Re-educating produce personnel about proper handling on an annual basis can be a challenge, especially with the high turnover and part-time employees. In addition, allocating space for cherries for such a short time is challenging as this fruit needs the space to encourage purchase

and also to make consumers aware of their availability."

Aside from getting enough space, Roger Pepperl, marketing director for Stemilt Growers Inc., headquartered in Wenatchee, WA, says, "Cherries are such a high dollar item that they usually command a prominent location."

"It's no problem to find a place to merchandize cherries," says Jose Manzano, director of produce for Dorothy Lane Markets, a three-store chain based in Dayton, OH. "After all, the nature of the produce business is to have seasonal products."

In the future, the real challenge may be a longer cherry season, says Grant Hunt, president of the Grant J. Hunt Co., in Oakland, CA. "The cherry season has gotten steadily longer with each passing year. We've found that cherries are in most retailers now for several months versus several weeks. That means we need to help the retailer maintain excitement on cherries and make sure they don't become a secondary item."

pb

ing the large, sweet cherries."

Grant J. Hunt's Hunt agrees, adding, "Consumers have made a clear vote with their limited expenditures that they prefer large, sweet, firm cherries. The industry has adjusted to this changing demand pattern by adopting horticultural practices that will meet this consumer demand. Pruners have been working hard this winter to try to maximize fruit size and light penetration for the highest quality cherries."

Consumers shop with their eyes and large cherries attract them, says Michael. "Sixty percent of cherries are purchased on impulse."

In fact, small fruit size put a big damper on profitability and moving last year's record Northwest cherry crop. Andy Tudor, marketing director for FirstFruits Marketing of Washington LLC, in Yakima, WA, says, "Large fruit is easier to move through the system than small."

"The most commonly requested size is 10½ row," reports Domex's Queen. "Some growers do 9½ to 10 row and others, 11 to 11½ row. It's all a function of what price point the retailer wants to achieve."

Cherries are not as price-sensitive as other produce items, reports NCG's Michael. "The cherry consumer spends, on average, 10 percent more per trip to the grocery

store. This is definitely a consumer retailers want to attract."

Today's primary cherry consumer remains affluent, metropolitan-based and well educated. However, opportunities exist in start-up families, millennials and middle-income families. These consumers respond to messages of health, fitness, family and affordable luxury products, according to research conducted in 2009 by The Perishables Group for the Yakima-based Washington State Fruit Commission.

SWEETNESS RULES

Retailers want to be the first to offer their customers cherries when the domestic season starts. Growers, too, want to get their product out to the market when demand is high, supply is low and prices are at a premium. But, crucial to repeat sales are cherries that Brix high, meaning that they are sweet to eat.

Fairchild, at New Seasons Market, says, "We place a garbage can right by the display so customers can sample and easily discard the seed. Cherries that are sweet sell."

Chuck Sinks, president of sales and marketing for Sage Fruit Co. LLC, based in Yakima, WA, says, "Fruit that is picked and sold early and isn't at its peak Brix can hurt sales. That's not good for the market."

The desire to harvest early is greater in California as the state is first to offer domestic cherries, but it can happen in the Northwest, too if California's crop is small or finishes early. Richard Sambado, director of domestic sales at Linden, CA-based Primavera Marketing Inc., says, "There's a temptation to jump the gun on some of the early varieties that have lower acidity, but not as much sugar."

Brix is a key component in deciding when to harvest cherries, says Grant J. Hunt's Hunt. "Once cherries are picked, they don't continue to ripen as other fruits do, so we leave them on the tree until they reach the desired Brix level for the respective variety."

NCG's Thurlby says, "Brix levels in red cherries can range from 14 to 23, depending on the variety and the location where the cherry is grown. Only the Rainiers have a marketing order that sets the minimum Brix level at 17. This isn't too big of a hurdle as most Rainiers Brix well over 20 percent."

In general, Hunt recommends, "Retailers should look for a box of cherries that appears fresh with green stems and the flesh should be red throughout. Chances are these have been picked at the proper time and will deliver a great eating experience."

JUST SELL IT PACKAGED

Bagged, rather than bulk cherries, are the norm at Jungle Jim's, says Brossart. "We'll sell red cherries in 2½-lb. bags and organic cherries in 1-lb. bags."

"The slider bag is the predominant pack of the industry," says Grant J. Hunt Co.'s Hunt, "and most packs are either 2- or 2½-lb. bags."

"While approximately 85 percent of cherries sold out of the Northwest are bagged," reports NCG's Thurlby, "about 10 percent of the crop is sold in clamshells."

Hunt adds, "We continue to see growth in clamshells with a range of 1 to 4 pounds as the primary options."

"Club stores have had success with larger clamshells," says Wolter, "where the consumer is used to buying in bulk and paying a set price, versus the per-pound selling price at mainstream retailers."

"On the other hand," says Scattaglia's Parker, "there's an opportunity to pack a smaller clamshell, less than 2 pounds, and offer a better price point than a larger bag."

More Rainier cherries will go into clamshell packaging, says the CCAB's Becker. "They bruise easily and the rigid clamshell is protective."

Some growers, such as Domex, have started to offer tray packed cherries over-wrapped with a breathable plastic film. "The

tray pack is less expensive than the clamshell and it offers the benefit of reduced plastic and greater product shelf life," Queen explains.

CMI's Mast says, "There have been rumblings in the industry of a small, 3- to 4-lb. corrugated box. However, I think consumers will want to still be able to see the cherries."

GIVE CHERRIES ENOUGH DISPLAY SPACE

Build cherry displays front-and-center, advises Grant J. Hunt's Hunt, "so they can't be missed."

Makes sure displays are big enough to maximize sales. Last July, cherries had the second-smallest shelf space in the produce department, but returned the strongest sales efficiency of all fruits. Even in an aggressive retail market, cherries returned an average of \$208-per-square-foot, per-week per-store, according to research conducted in 2009 by The Perishables Group for the Washington State Fruit Commission.

"By increasing shelf space for cherries, retailers can increase their volume and dollar sales," says NCG's Michael. "Though this would seem to be intuitive, it's not necessar-



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ily the case as the study found. In fact, several items actually decreased dollar and volume sales with increased shelf space and others showed no effect other than under-utilized shelf space."

Michael adds that 21.5 square feet was the average shelf space allotted by the stores participating in the study. "However, many of the top-performing Northwest cherry retailers had shelf space in excess of 40 square feet," he adds.

When setting a display, the CCAB's Becker recommends, "Avoid placing cherries next to grapes. When bagged, the two fruits are sometimes indistinguishable to consumers."

At least 10 to 20 percent of a cherry display should be Rainiers, advises Michael. "These make an eye-catching color break, especially when they are ribboned between the dark red cherries."

Becker adds, "Consider a dual display or secondary display of Bings, offering 1-lb. bags or clamshells alongside 2-lb. bags to meet the needs of more customers."

Many shippers offer freestanding display units that can be set up in secondary locations. For example, CMI offers a Summer Dream beach theme high-graphic display sleeve that slides over empty apple boxes and holds three cartons of cherries at a time.

In a Perishables Group study conducted



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in 2009, a secondary high graphic display at the checkout counter led to a 13.6 percent increase in volume, a 22.4 percent increase in dollar sales for all cherries, a 32.5 percent increase in volume and a 22 percent increase in dollar sales for Rainier cherries.

CROSS MERCHANDISE WITH RECIPES

"Most consumers like to eat cherries out of hand," says Jose Manzano, director of produce for Dorothy Lane Markets, a three-store chain based in Dayton, OH, "Although they do like recipes, too."

Last year, the supermarket's cooking school taught a class with a dinner party theme that featured Mexican Fried Ice Cream — vanilla ice cream with whipped cream, honey and fresh cherries served in a cinnamon sugar-dusted tortilla shell — as the dessert.

Recipes are one of the tools that can be used to boost cherry sales, according to Hunt. "Consider putting a recipe in your advertising circular and on your Web site," he says. "Or, create a cherry-rama with recipes for cherry pies, cobblers and specials on other cherry items throughout the store."

"Put cherry usage ideas in customers' minds," asserts CMI's Mast, "by cross-merchandising with short cakes in the bakery, yogurt in the dairy department and bagged salads in produce."

This season, the CCAB has partnered with Salinas, CA-based Epic Roots in a promotion that will feature a tape-on recipe and coupon for a bag of cherries on bags of Epic Roots Mâche. The recipe will feature a salad made with the mâche, feta, roasted pine nuts and fresh cherries.

STRATEGIZE PRICING AND PROMOTIONS

Cherries are available in the winter and summer. "However, our biggest promotions are in the late spring and summer when volume is highest, prices are best and product is freshest," notes Manzano.

Pricing trends vary from year to year, says Hunt of Grant J. Hunt. "In 2008, we experienced a low volume crop and retail pricing was at an all-time high. In 2009, we experienced a record crop and retail pricing was the most aggressive that it has been in years."

Increase demand by focusing on short season availability rather than price, suggests CCAB's Becker.

Scattaglia's Parker agrees, but adds that price promotion can be effective. "One retailer displays cherries prominently for the first one to three weeks of the season, and then puts them on ad when the volume

picks up. They find that simply a prominent display or letting consumers know cherries are available is very powerful independent of price reduction."

"Many retailers are pressured to hit a specific gross profit percentage," says CMI's Mast, "but instead, we push gross profit dollars. An ad with cherries priced at \$1.99- to \$2.49-per-pound is more productive than a 99-cent per pound ad, which doesn't do anyone — retailer or grower — any good."

Memorial Day and June are key promotional times for California cherries, while Northwest shippers like to see a 30 to 40

percent discount on Fourth of July ads to kick off their season. Last July, the average pricing for red cherries was \$2.61 off ad and \$1.92 on ad.

Take a break from promoting dark sweet cherries by offering a Rainier or organic, says Stemilt's Pepperl. "A general rule is to promote six to seven times during the Northwest season. This means one the last week of June for the Fourth of July, three weeks in the month of July, and a minimum of one promotion in August. This is how you'll best maximize your cherry sales," he explains.

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Reader Service # 52

Mangos Continue To Be A Growing Segment

Understanding your stores demographic and educating both consumers and produce staff alike prove to be necessary techniques to encourage sales in this popular and growing category.

BY MEREDITH AUERBACH

In much of the United States, mangos' share of produce sales hovers at less than 1 percent. Paradoxically, they may be one of the fastest growing categories and the favorite fruit of Asian, Hispanic and Latino populations. For retailers, that situation offers tremendous opportunity. How often does anyone get such an ideal environment for growth? Consider the mango and its strengths.

With two seasons, multiple distinct varieties and cultivation in a number of countries, availability is year-round. About 60 million 9-lb. cases enter the United States each year, in addition to those cultivated within our borders. Mangos are a high-value fruit and have a good nutrition message, leaving plenty of room for new and experienced consumers alike to increase consumption and purchase.

As the peak of spring season approaches — May through September — less overall competition from other fruits translates to more promotional opportunities for mangos at retail. What's more, there are a number of merchandising techniques not yet widely practiced that, if implemented, could spur growth and acceptance to consumers less familiar with the fruit.

"Along with all the positive attributes of mangos, we face plenty of challenges as well," says Chris Ciruli, chief operating officer at Ciruli Bros. LLC, based in Rio Rico, AZ. "Too many people still perceive mangos as an exotic fruit, and consumers are unsure of how to select and prepare them. As an industry, we have a big education job ahead of us to help people become more comfortable with mangos. The creation of the National Mango Board has really increased our ability to tackle consumer issues such as selection and cutting."

Wendy McManus, director of marketing for



One rule of thumb promoted by the National Mango Board is to never judge a mango's ripeness by its color.

the Orlando, FL-based National Mango Board (NMB), remarks, "We've spent the last couple of years looking closely at consumers and consumption patterns. We use a survey that monitors a thousand consumers monthly. All of our marketing efforts, from header cards to ad messages and the Web site to social media, deal with ideas to help consumers use mangos easily with instruction on cutting and quick usage ideas. We know most consumers love the taste of mangos, but some are uncertain about using them at home. Support of retail sampling programs probably offers the most direct way to help consumers." On April 14, mango importers and first handlers approved the continuation of The National Mango Board; 73 percent of the ballot received were in favor of continuing the program.

VARITIES OFFER PLENTY OF CHOICES

Importers have their favorite varieties but these may be different than what most retailers display and sell. Most of the importers queried confessed to personal preferences for the yellow variety called Ataulfo, along

with Kent and Keitt, green varieties with consistent, sweet rich flavors and few fibers. Instead, it's the Tommy Atkins, with its warm, red skin, extended almost yearlong season and long shelf-life, which dominates most U.S. retail displays. This could be due to the fact that most Anglo consumers equate the red color with ripeness and quality, as NMB research indicates.

"Looking at variety choices from an ethnic perspective offers retailers more information about how to match products to customer preferences," emphasizes Larry Nienkerk, president and general manager of Splendid Products LLC, headquartered in Burlingame, CA. "Asians seek firm, clean fruit, since in addition to eating mangos alone, they also use mangos in salads and other recipes. For them, varieties such as Kent and Tommy Atkins work well. Kent is a green variety with some red blush. It mostly alternates peak availability with Tommys. Hispanic and Latino populations are less concerned with looks and more interested in ripeness, sweetness and absence of fibers,



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making them very savvy mango consumers. Displays of well labeled, multiple varieties signal to shoppers that retailers know their preferences."

"Our mango sales increased substantially after we started offering two varieties," reports Nate Sprague, category manager of fresh fruits and floral for Hannaford Supermarkets, headquartered in Scarborough, ME. "Our customers look to us to provide them with new ideas and more and better fruit varieties."

Ciruli Brothers is committed to Ataulfo, a yellow-skin variety; about 95 percent of the company's shipments are dedicated to the variety. Grown in Mexico, Ataulfo's peak season is mid-March through mid-July. The company has even trademarked its shipments as Champagne mangos. According to Ciruli, "They are simply the best, with consistent flavor and texture, great intense color and smooth firm flesh."

PRICING AND PROMOTION DRIVE CONSUMPTION

The popular May holiday of Cinco de Mayo is an ideal time to promote mangos. Early May brings good supplies of mangos from Mexico and Guatemala at a time when there aren't many other fruits with volume and pricing appropriate for promotion.

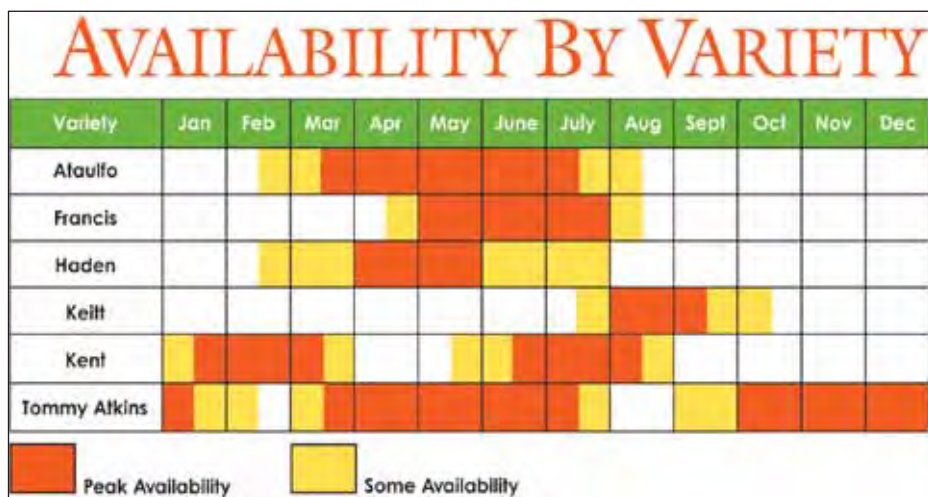


Photo courtesy of National Mango Board

Charts such as these help educate produce staff — and the consumers — on the variety of mangos.

"It is such a low-risk period for retailers to promote mangos," notes Bill Vogel, president of Tavilla Sales Co. of Los Angeles, in Los Angeles CA. Growers are more willing to commit to pricing 30 days out and there is better supply information available. There is variety in sizes available, which allows retailers to price accordingly. We're hearing about plans to promote yellow mangos at two-for-99¢, or 59¢-each for a size #10. This approach can really drive sales and draw people to the tropical fruit displays."

Nienkerk concurs and points to \$1 as an important consumer price target. He also encourages retailers, "to sell mangos by the pound to drive different sizes and varieties. Very few fruits are sold by the "each" anymore. We see multiple packs and pound pricing starting to happen in the Midwest and believe we can encourage it to grow."

Sprague notes early April pricing as under \$1.49 for large fruit and says, "We are likely to promote it this season."

CONSUMER EDUCATION IS TOP PRIORITY

Consumer education continues to be what is needed, according to NMB's McManus, who asserts, "We've made our Web site a central location to get the information and knowledge base needed for retailers, importers and consumers. There are no hidden areas on the site. We post all the crop and shipping reports we have, all the merchandising programs and tools available and believe it is one of the most thorough and easy-to-use sites in the industry. What we need are some innovative retailers in every region to become real mango enthusiasts to demonstrate the value of the fruit and what it can do for financial results. That way, more success will follow."

"For retailers, we offer incentives to help them become better mango merchants, including ad messages, copy, shipping reports, sampling support and consumer and trade research results," McManus continues. "We will work with retailers to make sure they have what they need to sell more mangos."

McManus advises retailers to not judge by color and to make use of the educational material the Board offers to detail individual variety characteristics. Directing consumers to the NMB's Web site videos demonstrating how to cut a mango also helps store-level

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The Dos And Don'ts Of Mango Merchandising

DOS:

- Position mangos with tropical fruits, including papaya, pineapple, coconut, kiwi, star fruit, tomatillo, guava and dates.

- Offer more than one variety and more than one size.

- Sign mangos by variety and source and describe characteristics.

- Store mangos between 54° and 60°F and at 90 to 95 percent relative humidity.

- Group mangos by ripeness and tell shoppers which ones are immediately ready and which ones will need a couple of more days at room temperature to fully ripen.

- Keep displays full, but avoid stacking tender fruit to prevent bruising.

- Consider a secondary display during peak seasons and promotions and make sure displays have enough space to be easily visible.

- Offer to sample mangos to customers who need help in selection or uses.

DON'TS:

- Store whole mangos at less than 50° F.

- Place mangos next to ethylene-emitting fruits or vegetables such as apples and melons.

- Allow old, wrinkled fruit to be part of a display.

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produce managers interact with shoppers and provided needed information.

OVERCOMING OBSTACLES

Whatever the commodity, great quality is still key to sales and consumption. The Achilles Heel of the mango — similar to that of tomatoes and tree fruit — is temperature. As a tropical fruit, proper handling helps determine quality, and too much cold can actually damage the fruit. Ciruli of Ciruli Bros. clarifies the issue, "Some say the fruit has to be kept above 40°F, but we recommend back room temperatures of 55 to 60° to help ensure that mangos stay out of refrigeration."

"Chill damage is permanent damage for mangos," contends Greg Golden, partner and sales manager for Amazon Produce Network LLC, headquartered in Mullica Hill, NJ, "although fully ripe fruit handles it bet-

ter than less ripe fruit. We print handling tips and chill warnings on the box to help retailers maintain quality." Golden points out another major obstacle: "Retailers would like to see steady pricing, but the nature of the crop arriving from various countries makes it difficult to quote prices six to eight weeks out. Most growers aren't willing to commit so far in advance. Sizing and weather make a big difference, too," he adds. "For example, the Mexican crop this year was initially projected to be large, but turned out to be smaller, impacting FOB pricing. Developing a way to offer contract pricing would improve the mango picture at retail, but we just aren't there yet."

Splendid's Nienkerk attributes variations in supplies and pricing to "the ebbs and flows of crops, varieties and sourcing in different countries."

"Along with retailers, we still need to identify who will use and purchase different mangos," admits Lloyd Rosen, business development director for Miami, FL-based M&M Farm Inc. "Many consumers still think of mangos as a luxury. Seasons and weather determine quality and size. If there are a lot of smaller mangos, there is a greater likelihood retailers will promote and that new consumers will be drawn to the fruit."

FRESH CUTS: GATEWAY TO CONSUMPTION?

The sales obstacle of lack of consumer knowledge of cutting and preparation is perhaps the biggest boulder in the mango's path to success. The fresh-cut sector of mangos might be the missing link in getting new consumers to try mangos as a stand-alone fruit. More store-level produce managers need to be aware of other forms of fruit and direct consumers to products that meet their needs, be it whole or fresh-cut.

Amazon's Golden judges the growth of fresh-cut mangos to be good for his business. "Because they are dealing with cut fruit every day, processors are the true experts in judging quality in terms of flavor and maturity," he says.

Not everyone agrees with Golden's estimate of processor evaluation. Ciruli of Ciruli Bros. points to problems with sourcing as a challenge to regional processors and the root of inconsistent quality. "As a measure of sweetness, a Brix level of 12 or higher is important," he notes. "Processors also count on large fruit to get the best yield. Fruit varies widely in both size and maturity as it comes in. The first pick, for example, tends to be smaller. I still agree that fresh-cut is an important part of the industry now and in the future."

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10 Sweet Ways To Sell More Stone Fruit Year-Round

Flavor is paramount to future growth of the category.

BY CAROL BAREUTHER, RD

Tree ripe. Pre-conditioning. Varietal advancements. Branding. The stone fruit category has undergone many developments in the past few decades and it has all been based on the goal of providing customers with the Holy Grail of flavor.

Jeff Fairchild, director of produce for New Seasons Market, a 9-store chain based in Portland, OR, asserts, "Flavor is the main driver in stone fruit sales."

Steve Kenfield, vice president of marketing and business development for The HMC Group Marketing Inc., in Kingsburg, CA explains, "Successfully merchandising stone fruit is so much more than just a process, variety or merchandising scheme. The critical element is that the fruit eats well whether it's June or January."

1. KNOW THE TRENDS

More than 600 varieties of fresh market peaches, nectarines and plums are grown in California alone, the U.S.'s largest producing stone fruit state. Gordon Smith, director of marketing for the Reedley, CA-based California Tree Fruit Agreement (CTFA), remarks, "Growers are always looking for new varieties that eat great to add to their mix."

On the import side, Tom Tjerandsen, marketing manager for the Chilean Fresh Fruit Association (CFFA), based in Sonoma, CA, says, "Chile continues to plant new varieties and new acreage."

Peaches and nectarines represent the bulk of tree fruit category dollar sales. According to Best Practice research commissioned by the CTFA, conducted from May to October 2009, and analyzed by Encore Associates, in San Ramon, CA, Best of Class (BOC) retailers' peach share of tree fruit dollars was 55 percent, comprised of 86.9 per-



Kingsburg Orchards has found success with its Dinosaur brand, which includes four colors of pluots that run from May to September.

cent yellow-flesh and 13.1 percent white-flesh. In addition, these retailers' nectarine share of tree fruit dollars was 39.4 percent, made up of 83.5 percent yellow-flesh and 16.5 percent white-flesh.

"In peaches and nectarines, varietal development continues at breakneck speed," says Don Goforth, director of marketing for Family Tree Farms Marketing LLC, in Reedley, CA. "As an industry, we're seeing bigger, sweeter varieties come in."

"There are lingering misconceptions," admits Dave Parker, director of marketing for Scattaglia Growers & Shippers LLC, headquartered in Traver, CA. "Some believe that new varieties are not as good as the ones that originated 20 years ago." Parker explains that this perception was put to the test not long ago when researchers at the University of California at Davis planted

classic peach varieties such as the Rio Oso Gem, Fay Elberta and Zee Lady next to new varieties like Elegant Lady, currently a leader in the category, and then brought retailers in on a orchard sampling tour. The result? "New varieties brought to full maturity matched the flavor expectations of the older varieties," reports Parker.

There is a push toward lower acid, white-flesh varieties, reports Goforth. "However, too low acid and consumers balk. They still want their fruit to taste like a peach or nectarine," he explains. "New white-flesh varieties are coming out with better color, higher sugar and better sizing."

Phil Neary, director of operations and grower relations for Sunny Valley International Inc., based in Glassboro, NJ, agrees and adds, "Small fruit is undesirable in white-fleshed varieties. Big fruit is what

Photo courtesy of Kingsburg Orchards



retailers look for and this is one reason that makes them priced at a premium."

"The availability of white-fleshed peaches and nectarines during the summer and winter means the price differential between

the two is decreasing and creating less of a barrier to purchase for cash-strapped consumers," remarks Parker.

According to the CTFA's Best Practices, plums represent 20.7 percent of tree fruit

total dollar sales by BOC retailers. In addition, optimizing plum sales from January to April means offering core red and black varieties, which equal the majority of sales, and also expanding the offerings to include yellow varieties and pluots.

Dan Spain, vice president of sales and marketing for Kingsburg Orchards, in Kingsburg, CA, contends that plums are falling out of favor to pluots. "There are a lot of old varieties of plums with no flavor and some farmers are selling off these trees," he says. "We're working with 80 to 100 varieties of pluots, red, black and mottled varieties that span from May to October. The emphasis on flavor is evident in names such as Flavorosa, Tropical Treat and Flavor Grenade. We've been aggressively planting yellow/green varieties so that retailers will be able to offer all four colors all season long."

Likewise, Family Tree Farms is another company that's developing unique pluot varieties. "There's the Eagle Egg, which has a dark skin and red flesh with a raspberry flavor," details Goforth. "The Plumogranate is high in sugar and has four times the amount of antioxidants as a pomegranate, and the Amigo, which has amber flesh and a tropical flavor."

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ums (apricot-plum), peacherines (peach-nectarine) and cherums (cherry-plum) are expanding category offerings. Spain says, "We'll have 10 to 15 new items this year. The idea is to provide retailers with something new and different to offer their customers."

2. PROFIT FROM THE RIGHT MIX

In this land of stone fruit plenty, what's the optimal mix of fruit to offer in order to reap maximum profits? Peaches should ideally represent 50 percent of the category, nectarines 30 percent and plums 20 percent, according to the CTFA's Best Practices. This research also showed that BOC retailers had higher shares of white peaches and nectarines and higher shares of plums, suggesting that greater variety sells more produce.

CTFA's Gordon points out, "Consumer research indicates that for tree fruit, what tastes good to one consumer does not necessarily hold true for another. Some consumers like it soft and juicy, while others, even in the same family, like it firm and crunchy. White-flesh peaches and nectarines appeal to those consumers who want an extra sweet piece of fruit. Plums, while slightly smaller than peaches and nectarines, are often well suited to children's smaller hands. One size certainly does not fit all, which is why it's critical for retailers to offer the full portfolio of stone fruit."

Sheri Mierau, vice president of sales and marketing for Dinuba, CA-based Fruit Patch Sales LLC, notes, "During the domestic stone fruit season, retailers should take advantage of the bountiful availability. For the off-season, and due to logistic reasons, scale back the selection to core items such as yellow-flesh nectarines and peaches, plums and pluots."

"Stone fruit is following the apple and tomato category model in that retailers are now able to offer their customers a unique selection," points out Spain.

available for only about 10 days. That's pretty bewildering."

"One exception," asserts Scattaglia's Parker, "is if you have an outstanding variety with enough sustained volume to feature for a solid three to four weeks. We run promotions like this with retailers for our O'Henry peaches."

Growers are bridging this gap between specific and generic names by grouping similar varieties of stone fruit into branded families. "One of our biggest successes last year was with the Dinosaur brand," details Kingsburg's Spain. "It consists of four colors or flavors of pluots with a number of different varieties within each color that spans from May to September. The marketing strategy then becomes to carry a family of Dinosaurs." The company offers a high-graphic branded unit, or nest, that can be used to merchandise three to five cases of fruit as part of a primary, island or sec-

"The right mix depends on who the customer is and who the retailer wants to be," adds Family Tree Farm's Goforth.

3. DON'T PLAY THE NAME GAME WITH EVERY VARIETY

"The sheer number of stone fruit varieties makes it difficult to get consumers to learn and look for each one," says New Seasons' Fairchild. "Add to this that each variety is

ondary display. Four-inch plastic casters on the bottom of the unit make it easy to roll into place.

4. CONSIDER ORGANIC

Organic production makes up approximately 3 percent of California's fresh market production of stone fruit, according to CTFA's Smith. "Production has been stable over the past few seasons," he adds. "The consensus is that organic production of peaches, plums and nectarines will remain stable to match this niche market demand, in spite of changing consumption patterns during this economic downturn."

Denver Schutz, technical services manager for Gerawan Farming Inc., in Sanger, CA, admits, "Price is still a factor for consumers when they are purchasing any organic item. The organic stone fruit market is slowly growing."

"This organic growth trend in stone fruit is largely attributed to the availability of fruit, which creates a lower average price-per-pound," reasons Mierau.

5. MAKE SURE FRUIT IS FLAVORFUL

Consistent flavor is what Jose Manzano, produce director at the 3-unit Dayton, OH-based Dorothy Lane Markets, looks for in stone fruit. "We only sell domestic tree fruit," he says. "The quality of imports from Chile isn't consistent enough, even though we've tried so many different brands. Even in the same brand, you can get a box where the fruit is fantastic and another box right next to it on the same truck where the fruit tastes like cardboard. There tends to be better consistency in the summer."

HMC's Kenfield says, "I feel strongly that offering customers the right product is more important than offering it year-round. There's a natural seasonality to the category and this isn't a bad thing."

"Ripeness is extremely important," agrees John Thiesen, operations manager of Giumarra Bros Fruit Co. Inc., headquartered in Los Angeles, CA.

"Ripeness at harvest, not at retail, is the critical issue," says Schutz. "Fruit must be picked at optimum maturity in order to deliver the best eating experience possible. If fruit is not picked at a high enough level of maturity, it will never deliver what the customer wants no matter what is done in an attempt to ripen it after harvest. To avoid overripe and under-ripe, retailers should buy from growers that do eight to 10 harvest repetitions per tree. It's more expensive for the grower to harvest this way, but in the long run it's cheaper, since there will be less shrink on the store shelves."

"We change the Brix sign daily and provide an explanation with it of what Brix means. It's something that draws customers into the store daily during the peak of the summer season."

**— Jose Manzano
Dorothy Lane Markets**

Schutz adds, "By offering consistent fruit every time, the retailer will sell more fruit and get repeat buys. Consistent ripeness and eating quality throughout the entire season are very important for overall sales and repeat business."

Fruit Patch's Mierau adds, "Consumers want a range of ripeness so they can purchase fruit that can be eaten immediately and some that can be consumed later."

Brix is a specification that Manzano uses to measure the quality and flavor of his stores' peaches. "Each produce manager has a refractometer to measure Brix levels," Manzano reveals. "In addition, produce staff selectively sample incoming fruit to determine its sweetness."

Dorothy Lane also uses Brix levels as a merchandising tool. Signage informs customers what peaches Brix on a particular day. Manzano details, "We change the Brix sign daily and provide an explanation with it of what Brix means. It's something that draws customers into the store daily during the peak of the summer season."

"From a grower's viewpoint," says Gerawan's Schutz, "Brix is of limited value. Flavor sells and sugar is only one component of flavor. While most people can agree on what constitutes high or low Brix, there is a significant range in between represented by fruit that tastes great. One should not focus on Brix levels or even sugar-to-acid ratios. Sugar, acid, aroma, texture, appearance and a number of other constituents all combine to deliver flavor and it is the overall flavor and eating experience that is important."

6. HANDLE CORRECTLY

At both the distribution center and store level, Gerawan's Schutz recommends, "Stone fruit that is already mature must be stored in a high humidity environment between 32 and 35°F until being placed in an unrefrigerated display, which continues the ripening process and creates a great aroma in the produce department. Stone fruit should never be stored in the 'killing zone,' which is between 36 and 50°F. Killing zone temperatures will cause off-flavors and meanness in the fruit."

The CTFA suggests rotating product to stage the ripest fruit first, handling cartons gently to avoid bruising and storing stone fruit with non-ethylene-producing products such as strawberries and apples.

Amy London, executive director of the Columbia-based South Carolina Peach Council, advises, "Stack fruit on the display by hand to avoid bruising the fruit."

"Restock and rotate stone fruit regularly," says Fruit Patch's Mierau, "in addition to keeping a clean display."

"Promote multiple items. For example, running a plum promotion along with a peach ad can quadruple sales dollars when compared to the peach ad alone."

**— Gordon Smith
California Tree Fruit
Agreement**

7. OFFER A VARIETY OF PACK STYLES

Most stone fruit is merchandised in loose bulk displays. Mierau reports, "We have seen retailers ask for less packaged product because consumers enjoy selecting their own pieces of fruit. In addition, as retailers adopt eco-friendly initiatives, they are seeking less packaging from vendors."

The single-layer Euro box is the greatest invention the stone fruit industry has seen in the past ten years, maintains Gerawan's Schutz. He explains, "It has far better airflow, which allows heat to escape, and it looks great on the store display. It's also the sustainable choice since there is less packaging per pound of fruit, when compared to the old two-layer shoebox. Most of our customers have switched to this box."

Yet, Sunny Valley International's Neary says, "We've found success in the last year in offering whatever packaging a retailer would like to use as a point of differentiation. This includes value-added tray packs of white peaches, 4-, 5- and 6-lb. boxes, bags and random weight totes. Many retailers especially like the totes; they believe it helps them compete with farmers' markets in the summer. Our totes are high-graphic and we can ID them with the state, New Jersey or South Carolina, for example, to help capture customers looking for locally grown options."

New this season, Family Tree Farms is offering its stone fruit packed in a biodegradable cardboard tote. Each tote holds approximately 2½ pounds of fruit and is PLU-stickered on the handle. Twelve totes are shipped in a display-ready Euro box. Goforth says, "Retailers who test marketed this tote last

season nearly doubled their sales. The key is to PLU price the product rather than use a UPC so customers see, for example, \$2.99 per-pound and not a \$7 price tag."

A few peach growers in South Carolina have expanded into 1- to 3-lb. clamshell packs, says Martin Eubanks, director of marketing for the Columbia-based South Carolina Department of Agriculture. "Some will put a recipe for peach cobbler on the pack."

8. USE SAVVY DISPLAY STRATEGIES

In the winter, Jungle Jim's International Market Inc., a single specialty store in Fairfield, OH, stocks peaches, nectarines and three to four varieties of plums for customers. Come summer, display size in the 1-acre produce department increases to include more than 30 to 40 feet of peaches sold by the basketful and more than 10 feet of nectarines and other stone fruit. "We offer a full assortment," says Dave Brossart, director of produce and floral. "That means everything from yellow-fleshed peaches and nectarines to white-fleshed peaches and nectarines, flat peaches and nectarines, four or more varieties of plums, that many or more pluots, apricots, you name it." He adds, "All of our produce associates have a knife. They sample to the customers right there on the floor. That's what really sells the fruit."

Stone fruit has always been the opener of summer, says Mierau. "For this reason, set large displays."

A 1 percent increase in display space can translate into a 19 percent increase in sales, according to recent merchandising research by the CTFA. In addition, placement of tree fruit next to three complementary fruits — melons, berries and grapes — generates the greatest sales increase, in particular for peaches and nectarines. Plums exhibited the largest sales increase when retailers used POS material that provided selection tips for plums, as past consumer surveys have indicated that consumers are the least comfortable when selecting plums.

Signage is key to selling less familiar varieties such as pluots, maintains Family Tree Farm's Goforth. "Name and price won't do it," he says. "Instead, list bullet points. For example, 'Sweet,' 'Twice the Brix of a plum,' 'Double the antioxidants.' Tell the story."

Restock and rotate the display, advises Gerawan's Schutz. "Fruit should not be stacked more than two layers deep as this could damage fruit on the bottom layers," he warns. "Fruit firmness should be monitored regularly so riper fruit can be placed on top and toward the front."

"Fruit should not be stacked more than two layers deep as this could damage fruit on the bottom layers. Fruit firmness should be monitored regularly so riper fruit can be placed on top and toward the front."

**— Denver Schutz
Gerawan Farming Inc.**



Stone fruit displays are perfect candidates for color breaks. Taking advantage of the various colors and varieties available is sure to catch consumers' attention.

Color breaks are important to catch the consumer's interest, adds Fruit Patch's Mierau, who suggests, "Take advantage of the multiple colors of stone fruit and use the different plum colors to create an eye-catching display."

Use of secondary displays and cross-merchandising can boost sales volume. This season, South Carolina's Peach Council will offer a recipe brochure for use as POS in displays. The four recipes, which include a classic Peach Cobbler, Peach and Thyme Salad with Blueberries and Fresh Ginger, Barbecued Ribs with a Peach Sauce and Peach Gazpacho, call for many produce items.

9. EDUCATE CUSTOMERS AND STAFF

Knowledge is buying and selling power. Many retailers have utilized CTFA's Download Center to obtain and customize POS materials. Recipes, photos and ad slicks are available for direct download right to their own marketing department, says Smith.

To educate produce staff, growers such as Fruit Patch host educational/training programs and sponsor tours of the growing and packing facilities. "We also utilize scan data to monitor success and share the data analysis with our retail partners for future planning, says Mierau.

10. PROMOTE TIRELESSLY

Stone fruit promotions abound in both winter and summertime. For example, New Season's Market runs its First Taste of Summer promotion the week prior to Memorial

Day in May. "In the winter, 60 percent of the department is vegetables, while 40 percent is fruit," reports Fairchild. "However, in the summer, those numbers will flip-flop. This promotion forces the stores to reset for summer before the competition. Also, growers in California know there's money in early-season fruit that eats well. Ultimately, we see more movement in the category all season long by starting early."

Fairchild adds that he follows up with Northwest locally grown stone fruit promotions starting the second week in July and will run a Plum-a-rama with 10 to 12 varieties on display the second week in August.

Peach Party is the theme of a now eight-year-old promotion run throughout the month of July at Dorothy Lane Markets. "We wait until we can get peaches that Brix very high," says Manzano. "The promotion has created quite a customer following."

South Carolina peaches that are full of fuzz and still have green leaves clinging to the stems are the focus of an annual promotion at Jungle Jim's. "We call them Bathtub peaches and put that on the signage to let customers know how sweet and juicy they are," says Brossart. "We have 10 to 15 customers filling their bags with peaches all day long."

According to the CTFA's Best Practice research, BOC retailers actively promote peaches, nectarines and plums using high everyday prices and aggressive/low promotional pricing with a 40 to 45 percent spread between the two. These retailers also promote through the entire season, but save the biggest events and promote with the

highest ad frequency in July and August.

"However," says Gordon of CTFA, "category volume and dollar lift can be as much as five times greater than the season average when a retailer promotes both early and late in the season. While tree fruit and the Fourth of July are nearly inseparable, there are huge opportunities to provide consumers with excellent eating experiences with tree fruit before Memorial Day and after Labor Day. In addition, promote multiple items. For example, running a plum promotion along with a peach ad can quadruple sales dollars when compared to the peach ad alone."

During the winter, says Tjerandsen of CFFA, "Mix up promotional types such as main features, sub features in store or theme events to continuously surprise the customer."

Fruit Patch's Mierau contends there are advantages to promoting locally grown stone fruit. "We encourage retailers to educate consumers regarding stone fruit from California because 93 percent of nectarines and plums and 76 percent of peaches are grown in the Central Valley during the summer season."

On the East Coast, Sunny Valley's Neary says, "Many retailers like to source and promote locally grown peaches from South Carolina and New Jersey. For example, they'll carry a California yellow fleshed peach and sell it for \$1.99-per-pound and then promote Eastern yellow fleshed peaches for 99 cents-per-pound by passing on the freight savings as a value for their customer."

pb



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Reader Service #55

How Packaging Boosts Sales In Dried Fruit And Nuts

Dried fruit and nut packaging meets the needs of different produce departments by catering to the needs of their different patrons.

BY TRISHA J. WOOLDRIDGE

The first purchase of dried fruit or nuts in the produce section is usually an impulse buy. While excellent quality brings customers back for more, the packaging is what pushes that initial sale. When done correctly, a well packaged product will attend to a wide array of needs among consumers — and the retailers that sell to them.

"Packaging needs to be flexible," says Miranda Ackerman, brand manager for Mariani Nut Co., headquartered in Winters, CA. "You need to be able to merchandise it in many different ways: shelves, j-hooks, clips... Ideally, packaging should make for the ultimate flexibility of having fruits and nuts in the department."

Brent Tackett, national sales manager of branded products for Traverse City, MI's Cherry Central Cooperative Inc., adds, "Another important thing to consider is the customer who is buying from the stores. Many club stores service commercial patrons, who have different needs than individual consumers. There are also different consumers who all shop differently. You've got single parents, standard families, big families, seniors...they all shop differently, and stores must have something to fit all of them."

STAND-UP, GUSSETED, RESEALABLE BAGS

These are vertical bags that can stand on their own or be used on clip-strips; they often include holes for j-racks and have the best longevity of all the packages. While there are usually windows to show the product, most of these packages are opaque or have a metallic sheen that protects the product from light degradation.



Clamshell packages are extremely portable and appeal to on-the-go consumers.

Another advantage to the stand-up, gusseted bags is that they are resealable, practically made for on-the-go snacking. The continually rushed consumer can easily snack and reseal the bags to prevent messes and keep the product fresh. This package serves a wide demographic, including parents' wanting snacks for themselves and their children, patrons concerned with eating healthfully in their busy lifestyle, outdoor aficionados, sports lovers and family picnickers.

CLEAR PLASTIC, RIGID CONTAINERS

The other popular style of packaging is a clear, rigid package, made of PET [polyethylene terephthalate] or a similar plastic, which can be resealed and offers full visibility of the product. Some of these packages are clamshells, while others have detachable and resealable lids. These packages can even be recyclable or reusable.

Depending on the sturdiness and seal, these packages can also be extremely portable, especially for larger family or group outings, such as picnics, holidays and sporting events. Sizes vary from party-size to smaller servings that could fit in a desk drawer or a vehicle console.

Stephanie Blackwell, owner of Aurora Products Inc., further describes this kind of packaging provided by her Stratford, CT-based company, "The sturdy tubs are large and are geared toward the whole family. They generally offer 10-12 servings. They are clear, stackable and can be reused in the kitchen for food storage."

An extra positive point to this kind of packaging is a higher perception of freshness, which can appeal to different regional or store-specific demographics. Joe Burnett, produce director of Associated Grocers Inc., based in Baton Rouge, LA, finds more demand for the clamshell or rigid contain-



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ers. "It looks like it was packaged in the store, and it creates a new price point. My patrons are not so much on the go, so dried fruit and nuts are not something they'd buy simply because it's in a resealable bag."

OTHER SPECIFICS

Besides the two major players of stand-up, gusseted bags and clear PET-like packaging, there are several other packages that cater to specific demographics. Sun-Maid Growers of California, for example, revolutionized dried fruit packaging with its 1/2-oz. 6-packs. Joe Tamble, vice president of sales for the Kingsburg, CA-based company, says, "It's our most popular product. Good for back-packs, on-the-go, or a bowl of cereal."

Andrew Stillman, president of Amport Foods/American Importing Co., in Minneapolis, MN, says that many stores request just a clear bag with the most basic ingredient list and nutritional information. "These stores don't want a printed bag," he points out. "They want a lay down, non-gusseted bag that grocers can put their own label on so they can give it a private label look. It gives it a more produce feel, but still has the zipper lock."

In-shell peanuts have a packaging set-up all their own; after all, each peanut comes in its own biodegradable "package" of a shell. "They are easily carried, and fit in a backpack for riding, hunting, hiking, sports and other outdoor activities," says Betsy Owens, executive director for the Virginia-Carolina Peanut Promotions, based in Nashville, NC. Some stores carry peanuts in bulk, but most stores package them in larger, lay-down bags of eight, 12, or 14 ounces, and some places even have smaller 4-oz. packages for grab-and-go customers.

Size is also an important consideration, regardless of the type of packaging. Tackett of Cherry Central Cooperative explains that while the earnings-per-pallet are less for smaller packages, more product overall is purchased, so stores see higher earnings.

When creating its new line of flavored California almonds, size was an important factor for Mariani Nut Co., as president, Matthew Mariani, describes. This new line has resealable 6-oz packages. "They are a good serving size and a reasonable price point," he describes. "It holds three to four snack servings. It's not a single-serve package, but a good value size."

Jane Asmar, vice president of sales for National Raisin Company, based in in Fowler CA, points out that while dried fruit, trail mix and nut products appeal to a wide demographic, there is a common element of health interest. "Generally, consumers purchase portion-control items such as multi-pack SKUs that contain 1 to 1½ ounces,

however, some servings can be bigger. Additionally, multi-serve bags of six to eight ounces are popular for items, such as mixed whole fruits, which don't lend themselves to smaller sizes."

PACKAGING THE MESSAGE

Part of dried fruit and nut packaging is how well it can communicate to customers. While many private labels prefer little more than the required nutritional and ingredient information, companies that allow the product to speak for itself through clear plastic amplify the information presented on its labels. This draws in those consumers who are concerned about their health and product origin.

Mariani notes three goals when the company came up with its newest line of flavored nuts: "Taste, of course, convenience and health," he specifies. "With the latter two, the packaging is key. The stand-up, gusseted bag provides convenience, and nutritional information is on the package. Additionally, we wanted it to grab customer attention, which is why we chose photography of almonds in the bloom period. It's visually appealing and shows that it's fresh and natural." What's more, the fact that these are domestic and local is also prominent: it's part of the name California Almonds.

"Customers like clear labeling, due to the prevalence of dieting and the need to keep in shape," says Aurora's Blackwell. "I believe they also prefer clear packaging to allow them to see the product they are buying. Aurora generally has two labels. The front label includes the name of the item and the weight. The back label includes UPCs, nutritional facts, country of origin information, ingredients, kosher and organic symbols — when applicable — and allergy info."

Mary Mooney, general partner at Chico, CA-based Mooney Farms, describes what went into a recent package redesign for the company's julienne-cut, flavored sun-dried tomatoes. Besides optimal on-the-go snacking with gusseted bags, the packaging communicates a lot of information. It informs customers of significant health benefits and that it is local. Just as important, it conveys the feeling of snacking, through the colors and the descriptions of flavorings. "You sell more product where the consumer understands it as a snack," she explains.

Asmar echoes the importance of packaging the idea of "snack," especially for the younger demographic. "We are now marketing our new "Raisels" line of sour flavored raisins, fruit-based characters such as Sour Orange Burst, Sour Apple TKO, Sour Peach Pucker and Sour Lemon Blast that are a fun and whimsical way to convey our new and exciting product line to the consumer."

"Customers like clear labeling, due to the prevalence of dieting and the need to keep in shape. I believe they also prefer clear packaging to allow them to see the product they are buying."

**— Stephanie Blackwell
Aurora Products Inc.**

A PLACE OF THEIR OWN

In many cases, having a combination of packaging for multiple demographics and creating a place for dried fruit and nuts to stand out makes a big difference. In fact, the stores that show the most sales in dried fruit and nuts have a dedicated sub-section for these products in produce that includes more than one kind of packaging to appeal to a wide demographic of potential consumers.

"If you go with a rigid container, also stock the display with flexible packaging to appeal to both demographics," suggests Amport's Stillman. "Both styles [rigid and flexible] are successful, and if you build a great section, you draw even more attention to the products."

Rodney Borden, director of produce and floral for Festival Foods, owned by Knowlman's Super Markets Inc., with headquarters in Vadnais Heights, CA, agrees with stocking more than one kind of packaging. "Stand-up gusseted packaging has a nice presentation, but the clamshell-like packaging also looks good," he remarks. "Each has a different demographic. The clamshell looks higher end, but the gusseted bag looks bigger." Festival Foods has its own category where it sells both bulk and packaged dried fruit and nuts, which works very well for them. "There's an advantage to carrying both."

Many stores also use racks provided by the different dried fruit and nut companies according to Burnett of Associate Grocers. "Stores often used side-stackers to draw more attention to the products because they can get lost on the shelf." To add to that attention, Burnett includes that Associate Grocers runs advertising every six to eight weeks just to promote the items even at their regular prices.

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Booth 524 Micky's Minis Flora Express

Millstadt, IL

Micky's Minis offers a unique line of miniature potted plants and seasonal accessories. Currently, we offer 14 different types of plants. Everyday and seasonal plants, matched with complementary accessories. Micky's Minis has been going strong for 20 years.



Booth 625 DecoWraps

Miami, FL

Deco Wraps has become a leading supplier of distinctive packaging options for fresh flowers and potted plants. We offer prompt service, simplified logistics and competitive pricing. We create products that are always fresh and innovative.



Booth 732 Harster Greenhouses Inc.

Dundas, Ontario, Canada

Harster Greenhouses Inc. is your earth-friendly choice for flowering plants. All of our products are 100 percent pesticide-free. We grow high quality African violets, Stephanotis, Mini Orchids and many more specialty crops.



Booth 911 B & H Flowers Inc.

Carpinteria, CA

B & H Flowers produces a variety of commercial, VeriFlora-certified and organic flower crops for both mass market retail and wholesale distribution, providing customers nationwide with sustainably grown, vibrant and long-lasting beautiful California flowers. Visit us at the California Pavilion.



Booth 1125 World Class Flowers

Egg Harbor City, NJ

If you agree spotting and utilizing trends is vital, then visit our booth. We are focusing on what's new, marketable and what's going to sizzle for the next year. We have everything your customers are looking for: designs, concepts and tools that will educate and inspire them to have fun with flowers.



Booth 534 Baero North America Inc.

St. Louis, MO

Besides the flow-ers themselves, nothing is more important to the success of floral sales than quality lighting. Although that fact is frequently overlooked, nothing sets your floral displays apart from the competition like great lighting. BAERO provides perfect retail lighting for florists of all sizes.



Booth 633 Teufel Holly Farms

Portland, OR

In business since 1890, we are a wholesale grower of English Holly and producer of the most diverse line of fresh wreaths, garlands, swags, centerpieces, bouquets and specialty products made from Evergreens that we harvest in the Pacific Northwest. Come help us celebrate our 120th anniversary!



Booth 803 The USA Bouquet Co.

Miami, FL

We are a national manufacturer and distributor of fresh-cut flower bouquets and arrangements and we offer other floral-related products and services. With manufacturing and distribution facilities in Miami, Atlanta, Chicago, New Jersey, Dallas and California, we are able to service many market segments across the country.



Booth 1025 Chrysal USA

Miami, FL

Chrysal Americas is an international company offering a multitude of products for the complete nutrition and care of fresh-cut flowers for growers, wholesalers, florists and supermarkets in the United States, Canada and Latin America.



Booth 1213 A-ROO Co. LLC

Strongsville, OH

Packaging, presentation and merchandising makes all the difference. A-ROO develops solutions for all decorative and brand identifying needs in floral departments and retail garden centers. Our award-winning creative department for custom programs and large stock inventory of covers, sheets, sleeves, etc. will make your floral products say, "Buy me!"



Booth 613 FreshBlossoms

Sewell, NJ

FreshBlossoms is a sales and marketing company dedicated to servicing the floral needs of its mass-market customers. Drawing on our parent company, Delaware Valley Floral Group's floral history of importing, sales and distribution, we are able to offer a wide range selection of flowers, botanicals and floral hard goods.



Booth 725 Hosa International

Miami, FL

Hosa International will showcase a variety of new and exciting floral selections, which will feature our extraordinary spray roses, lilies and roses from our 200-hectare Rainforest Alliance-certified farms in Colombia and Ecuador.



Booth 834 Scientific Certification Systems

Emeryville, CA

VeriFlora is an agricultural sustainability certification and eco-labeling program recognized as the gold-standard in the floriculture and horticulture industries. It delivers tangible results that benefit growers, workers, consumers, the environment and the bottom-line.



Booth 1036 Encore Floral Marketing

Walker, MI

We will showcase a selection of color coordinated bouquets. Importing allows us to bring together floral product from different countries into our own unique offerings. In addition, our Miami and Dallas facilities enhance our distribution opportunities nationwide.



Booth 1613 Bay City Flower Co. Inc.

Half Moon Bay, CA

For four generations, Bay City remains committed to growing the most diverse selection of flowering plants. Devoted to continually improving quality to exceed consumers' expectations vs. merely satisfying, we keep our retailers' floral displays vibrant with color every day. See new varieties, new promotions and our first of a kind packaging at our booth.



Booth 624 The Hiawatha Corp.

Shelton, WA

The Hiawatha Corp. is a distributor of fresh Western greens, Christmas greens and green moss products to the wholesale florist industry, craft store industry and mass market merchandisers. We provide high quality, competitively priced, mountain-fresh, evergreen products that lead the industry in customer satisfaction.



Booth 731 Alpha Botanical Inc.

Homestead, FL

You won't find a finer mix of grade "A" interior foliage. With spacing guidelines 1½ times the industry standard, our finished product is exceptional. Add together the mix of quality plants we offer and outstanding customer service to see why we are capable of satisfying any discerning promotional buyer.



Booth 901 burton + BURTON

Bogart, GA

Visit burton + BURTON to see what's new for Spring 2011. For over 28 years, burton + BURTON has been a leading supplier of balloons, coordinating gift accessories, containers and florists' supplies to floral professionals worldwide. Low minimum orders. Shipping within 24 hours on most items.



Booth 1117 Aldershot Greenhouses Ltd.

Burlington, Ontario, Canada

We are one of North America's premier potted blooming producers. Our unsurpassed commitment to quality has made us a top producer of potted blooming plants in North America. Long-lasting blooms for home and office, Aldershot Greenhouses Ltd. potted plants continue to perform with excellence.



Booth 1713 Temkin International Inc.

Payson, UT

Now celebrating 30 years, Temkin will showcase its impressive line of stock and custom floral packaging. Sleeves, sheets, picks, upgrade covers, signage and displays are all available and fully customizable. Check out our fresh collection of stock prints and decorative insert sheets featuring bold new looks and contemporary classics.



AISLE-BY-AISLE BOOTH REVIEW

Booth 1732 Dan Schantz Farm & Greenhouses LLC Zionsville, PA

As we grow as a company, we're going to concentrate on what we've always done, which is to grow the best possible product for our customers. Growing for all seasons: Fall ornamentals, Poinsettias, Easter bulbs and annuals.



Booth 1733 The Elite Bouquet Miami, FL

Located in the heart of Miami, Elite also has four other U.S. locations covering the surrounding regions of New Jersey, Chicago, Denver and Los Angeles. Elite's primary imports are roses, spray roses, Gerberas and Alstroemeria. See Elite for bouquets, consumer bunches, cut greens, fresh arrangements, grower bunches, fresh-cut and specialty-cut flowers.



Booth 1811 Eve's Garden, Inc. Land O' Lakes, FL

Eve's Garden Inc., established in 1979, is a family-owned Bonsai Tree and Lucky Bamboo Nursery located just North of Tampa, Florida. We offer unique products designed and produced by us directly to you. Our mission is to provide our customers with the best quality, pricing and customer service possible.



Booth 1817 Jolo Farms Inc. Miami, FL

Jolo Farms grows flowers year-round on 400 acres of owned, operated or partnered farms in Florida, Ecuador, Colombia and Costa Rica. We supply a full line of florist-grade, premium, consumer bunches, bouquets and novelty flowers. We are excited about our new, exclusive line of farm-ready arrangements called Expressions.



Booth 1825 Potter Inc. Bryan, OH

Potter Inc. continues to be a premier supplier of upgrades for any floral department. From our hand-tied bows, proudly made in the USA and our seasonal potted enhancement kits, to our trendy, time-saving corsage backings, Potter Inc. is your one-stop supplier for everything floral and more.



Booth 1841 Pride Garden Products King of Prussia, PA

Pride Garden Products manufactures innovative baskets, containers, carts and accessories for supermarkets, mass markets, club stores, greenhouse growers and garden centers. Products include our patented AquaSav™ coco liner, which reduces watering by half and promotes healthy root systems resulting in beautiful plants.



Booth 1901 Sunshine Bouquet Co. Miami, FL

Our quality, hand-crafted floral bouquets are thoughtfully designed with your customers in mind.



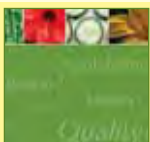
Booth 1925 Dos Gringos — A California Flower Company Vista, CA

Come by our booth — one of only a handful of California growers and bouquet assemblers — to experience the latest in different West coast flowers and innovative merchandising and packaging. Look for the giant sunflowers and our California team ready to meet, greet and inform.



Booth 1939 Niagara Economic Development Corp. Thorold, Ontario, Canada

Pick up a copy of our 2010 Ontario Greenhouse Growers' Directory & Buyer's Guide. This directory is industry-specific and available to buyers, suppliers, government agencies, trade and industry associations, etc. who are interested in sourcing Ontario greenhouse products and supplies.



Booth 1942 White's Nursery & Greenhouses Inc. Chesapeake, VA

White's has been growing quality potted plants and outdoor annuals and delivering throughout the United States for over 52 years. Customers include supermarkets, wholesalers, other growers and mass marketers.



Booth 2017 The Sun Valley Group Arcata, CA

Maximize sales and create excellent floral experiences for your customers by offering our premium California-grown cut flowers. In addition to consumer bunches, specialty-cut flowers and California-style bouquets, we offer POS material to complement any program. Sun Valley's Farms and crops are all VeriFlora-certified. Ask about our year-round tulip program.



Booth 2040 Bethel Organics Arcadia, FL

Bethel Organics has the solutions to grow organic. Our line of retail-ready products will help you meet your customer's needs to go green. We offer cartonettes and strip packs for the savvy gardener and our Organic Seed Starting Kit is for the customer that can use a complete gardening kit. For growers, we carry the full line of DOT Pots™, the original OMRI Listed™ biodegradable pot.



Booth 2125 Carolina Fraser Fir Co. LLC Mouth of Wilson, VA

Carolina Fraser Fir Co. has been in business for over 25 years and has been established as a reliable supplier of live-cut Fraser Fir Christmas trees and greenery products. We are committed to providing the most beautiful quality products on the market.



Booth 2133 Avery Imports Batavia, NY

Whether you are a garden center, florist, greenhouse, nursery, designer or gift store, Avery Imports offers a variety of over 1,000 different items to choose from, with over 400 new items for 2010.



Booth 2203 Nurserymen's Exchange Inc. Half Moon Bay, CA

In business since 1941, Nurserymen's Exchange is one of the largest wholesalers of indoor blooming plants, specialty foliage and packaged plants in the nation. Offering a broad range of innovative products year-round to retailers nationwide, we pride ourselves on our horticultural excellence and inspired design.



Booth 2235 Deroose Plants Inc. Apopka, FL

At Deroose, we focus on quality and strong customer service. Whether you're looking for high-quality liners or unusual and highly desirable finished products to boost your profits, we have a line that will fit your business needs. Let us grow along with you.



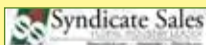
Booth 2238 Sunshine Growers Inc. Lakeland, FL

In business since August 1986, Sunshine Growers is a wholesale contract grower of unique, high quality blooming potted plants, foliage and outdoor landscape material. See us for bedding plants, dish gardens, hanging baskets, herbs and vegetables, perennials and poinsettias.



Booth 2315 Syndicate Sales Kokomo, IN

Syndicate Sales is a manufacturer, importer and distributor of over 1,500 items to the floral industry. Brand names including Aquapac®, Aquafoam®, Aquaplus the Difference is Clear®, Aquahold®, Garden Collection®, Hoosier Glass®, and Designer Vases are known throughout the industry as representing the highest quality products second to none.



Booth 2335 Hawaiian Sunshine Nursery Inc. Waimanalo and Hilo, HI

Hawaiian Sunshine Nursery is a family-owned and operated nursery specializing in Bromeliads and Tropical Plants for more than 30 years. Visit our booth to discover our Hawaiian Volcano Plants and our brand new TPIE (Tropical Plant Industry Exhibition), award-winning Kalanchoe Thyrsiflora 'Fantastic'.



Booth 2407 ASB Greenworld Inc. Valdosta, GA

For more than 30 years, ASB Greenworld has been a supplier to the floral industry. We are producers of peat moss and related mixes, including potting soils, mulch and bark items. Our own peat bog is located in New Brunswick, Canada, with locations in Mt. Elgin, ON, Canada, Valdosta, Georgia and Virginia.



Booth 2417 Penang Nursery Inc. Apopka, FL

Penang Nursery is a grower and distributor of foliage as well as home décor gardens in many sizes. Specializing in uniquely designed gardens of foliage, bamboo and Bonsai, Penang Nursery is known for innovation in our industry. Come see our newest line of low maintenance, self-watering pots.



Booth 2507 Galleria Farms Miami, FL

Galleria Farms is a solution and service provider of premium floral products to mass retailers and supermarkets. Our employees have a combined floral industry experience of more than 90 years. We are one of the largest growers of chrysanthemums and specialty flowers in the world with more than 100 hectares in production.



Booth 2513 C.H. Robinson Tampa, FL

With more than 100 years experience in perishable products, C.H. Robinson understands that every day is a logistical race against time in the retail floral world. That's why we offer a comprehensive suite of services designed to optimize the efficiency of your floral supply chain.



Booth 2618 Bougainvillea Growers International (BGI) Boynton Beach, FL

Bougainvillea Growers International offers tropical bougainvillea in a variety of colors and products that can be shipped across the country without dropping its color or foliage. Vibrant bush, trellis, braided standards, hanging baskets and Bonsai arrive retail-ready for immediate sale.



Floral Traceability: The Big Waiting Game

As promising as using GTIN for floral may sound, other priorities and concerns continue to delay real-world application of the standard.

BY JODEAN ROBBINS

A change making the floral delivery system dramatically more efficient and less labor intensive is on the horizon. The movement of the proven GS1 standard into the perishable arena promises an accuracy and effectiveness never before seen in floral distribution and sales.

"Right now, there is no standard use of protocol in the flower industry," explains Christine Boldt, executive vice president of the Association of Floral Importers of Florida (AFIF), in Miami, FL. "If the industry uses standard protocol, then each step in the supply chain can use the same barcode to move the box in and then out of their warehouses. More than 2 million companies in over 25 industries and 145 countries worldwide use [a Global Trade Item Number, or GTIN.] We are not starting something new, we are using proven standards."

"The floral industry needs to create a common language to be used as a standard identification of cut flowers and greens," agrees Jim Wanko, executive vice president of the Wholesale Florist & Florist Supplier Association (WFFSA), headquartered in Annapolis, MD.

Despite the positive industry chatter about floral GTIN, priorities in other perishables as well as continued concern over cost continue to delay implementation. "GTIN for floral is on our radar, but the priority is the Produce Traceability Initiative [PTI]," states Mike O'Brien, vice president of produce at Schnuck Markets Inc., located in St. Louis, MO. "There is an urgency surrounding the traceability of food that trumps GTINs in floral."

However, as urgency related to produce

safety pushes retailers to quickly implement the same GTIN system in produce, floral may benefit as well. "Implementation in other categories of business by retailers and suppliers in the channel will pave the way to floral," states Alan Garton, director of industry development for GS1 US, based in Lawrenceville, NJ.

"We anticipate this happening within the next few years," says Teri Miller, produce category manager with the Food Lion Family of Banners and Bottom Dollar Food, headquartered in Salisbury, NC. "Retailers are already modifying their processes and systems to address this with produce."

BUSINESS BENEFITS

The implications for handling efficiencies in perishables and synchronization of systems within the retail and supply environment are what make GTIN especially attractive. "Supermarkets already have standardized GTIN/UPC barcodes on most everything else in the grocery store, but not on floral," explains Boldt of AFIF. "So GTIN usage would put the whole store using the same barcode system. Also, using the GTIN/UPC would help identify the products for all of the suppliers and how their products move instead of using generic barcodes for all suppliers on bouquets."

Although GTIN may make technological sense, the business benefits must be in alignment as well. "In order for the industry to fully embrace GTIN, stakeholders have to be sure such a system makes good business sense and the ROI will be significant to the future of their business," explains Peter J. Moran, CEO of the Society of American Florists, based in Alexandria, VA.



Photo courtesy of the Association of Floral Importers of Florida

Implementing floral GTINS would benefit the entire supply chain, from growers and shippers to those on the receiving end.

Miller of Food Lion adds, "The GTIN and its unique format provides both the retailer and supplier the ability to eliminate cross-references, eliminate manual input, differentiate product by supplier, differentiate product movement by supplier, reduce box sizes, automate manual processes, track product through the supply chain, track shrink and effectively manage the category."

The benefits of a floral GTIN system stretch from retail all the way down through the supply chain. "Many flowers are being delayed as they clear Homeland Security in Miami," reports Wanko of WFFSA. "Much of the process is being done by hand with paper and pencil. The process can be sped up dramatically with use of technology — the GTIN."

Wholesalers could see a revolution in their inventory control and pricing. "Today,

What Is GTIN?

The GTIN (Global Trade Item Number) and UPC (Universal Product Code) are part of an internationally recognized data standard behind bar-coding systems enabling supply chain partners to eliminate redundancies, reduce manual labor and minimize the chance for human error in the distribution process. "Implementation can help cut cost and error out of the floral supply chain, speed delivery and, ultimately, make a fresher and more consistent range of product available to the consumer," says Julia Stewart, public relations director for the Produce Marketing Association (PMA), based in Newark, DE.

"This is all about building a fundamental foundation that will allow us to use the newest supply chain technology worldwide," adds Cindy Hanauer, senior director of floral for Winn-Dixie Stores Inc., in Jacksonville, FL.

The Floral GTIN initiative proposes to implement two data standards, the GTIN at the box level and the UPC for bunches and bouquets. "The 14-digit GTIN will be used to identify boxes of flowers," explains Stewart. "For the items inside the box, if in the United States, the UPC [also called the GTIN-12] will be used in UPC barcodes to identify bunches and bouquets. If outside of the United States, the EAN [also called the GTIN-13] will be used in EAN barcodes

to identify bunches and bouquets."

Through the direction of the Floral Logistics Coalition, six key trade associations — WFFSA, PMA, AFIF, CAFGS (California Association of Flower Growers and Shippers), CCFC (California Cut Flower Commission) — and SAF (Society of American Florists) — along with support from GS1US have been working for more than two years to define, test and refine the coding strategy so the industry can move forward. Industry-wide committees are currently working on Best Practices for box labeling, UPC item labeling and synchronizing data.

Hanauer explains the process. "First, there must be mutual agreement between retailers and their supply partners to commit to this change," she says. "Second, supply partners must obtain company prefixes, match them up to their product offerings and follow the identification process all the way through to purchase orders, packing, shipping and invoicing. Third, there may be some needed system integration on both sides to adapt to the new GTIN technology; however, many companies have already upgraded to a GTIN-adaptable technology. Finally, provide continuous education on the importance of using GTIN and other technologies to better serve our customers." **pb**

industry," explains Boldt. "A lot of segments in the floral chain say they can see the benefits for others, but don't see the real benefit for themselves."

Concern about cost also plagues the initiative. "If each segment of the floral industry could see savings or know it won't cost them more money to change to the standard, then more would implement it," says Boldt of AFIF. "There is some upfront cost involved to do the numbering system for the barcodes, so many just see additional cost to change their current number systems."

"There has to be a solid economic reason for adopting the GTIN," Wanko concurs. "For the growers, it has to be that the majority of their customers ask for it. For the wholesale distributor, it has to be that the majority of the product they receive uses the GTIN."

Data synchronization and system integration also present challenges. "There is an enormous number of SKUs used in the floral industry to identify the secondary attributes of a product," explains Cindy Hanauer, senior director of floral for Jacksonville, FL-based Winn-Dixie Stores Inc. "Things like color mixes, product mixes, seasonal mixes and packaging all come into play. In addition, there are many individual systems within the entire supply chain that touch each individual box of product from store order to customer purchase. It is imperative both the data and systems at each touch-point are accurately reflecting the products in a granular, yet efficient manner."

NEXT STEPS

So what is an industry member to do? "Think, as you're building the system, about all the categories of products in the mix and what you need to do to make the entire system compatible with how you handle them," recommends Garton of GS1 US. "Look at back-end receiving systems at the case level as well as front end POS systems and prepare sales associates for the actual scanning of the product."

Education at all levels is another valuable step. "Retailers should be doing in floral what they're doing with other fresh categories," suggests Garton. "There is a need for education of staff on the Floral GTIN."

"We should all be ready for this," adds Hanauer. "As with any process change, especially one as far-reaching as GTIN, there are technological and organizational changes that need to be made. These changes are not insurmountable, but they require strong leadership and diligence to make them happen." **pb**

very few wholesalers are able to scan in and scan out cut flowers and greens," says Wanko. "The GTIN would allow them to do both. It would allow for better inventory control and more accurate pricing when the articles are sold. It would reduce the cost and time required to receive product significantly. In the case of wholesale distributors with multiple branch locations, it will allow them to send receiving information to the home office electronically. By scanning the boxes as they are put on the truck in Miami, the wholesale distributor will know exactly what is on that truck before it gets to him."

"Growers and wholesalers can have a better handle on their inventories," agrees AFIF's Boldt. "They could add products to inventory in their systems before it arrives at their door and they could eventually use RFID to update their inventory systems by the pallet at one time. They would also be able to track back any credits by the GTIN/UPC instead of just issuing undue credits."

WHY THE WAIT?

Perhaps the biggest spoiler to floral GTIN

implementation has been the rise of PTI, although it could end up facilitating the process as well. Says GS1's Garton, "Once those systems are in place, retailers can easily place those requirements on the floral category. When retailers are looking at systems in the store, whether it be POS or enterprise systems, once you're ready to receive some products using a unique identifier and all your scanning systems are ready to go, one would hope you'd be ready to quickly implement a secondary category."

"We believe PTI can be applied to any item, not just produce and that the implementation of PTI will absolutely lead to an easier transition for floral GTIN," says Miller of Food Lion. "As long as retailers and suppliers are committed to PTI, they will be prepared for GTIN."

But PTI isn't the only rogue in the GTIN process. Recognition of individual benefits remains a stumbling block for many players. "Education on the use and the process has been done over the past two years, so a majority of the industry should understand it, but change is a hard thing in the floral

For an extended version of this article on Floral GTIN, please see our Web site, www.producebusiness.com



Packaging Cycles

What are the characteristics causing the wide variations in the use of packaging at the retail level? Does packaging availability influence demand or does consumer demand drive packaging development?

Soon after World War II, the development of polyethylene and other plastics lead to research showing packaging not only increased sales of many fresh fruit and vegetable items, but also reduced the dreaded product loss contributing to unacceptable levels of shrinkage.

Recognizing the opportunities these materials represented and the emergence of self-service retail departments, the Produce Packaging Association (PPA) was formed in 1949. By 1960, emphasis on gaining consumer acceptance of packaging became the main objective prior to changing the focus to marketing and the PPA became known as the Produce Marketing Association in the 70s.

These major changes nevertheless did not come quickly, as the expanding transition to supermarkets required training of personnel and the selection and purchasing of equipment and supplies for in-store preparation. Backroom layouts would require modification. Some chains would develop centralized pre-packaging. At the producer level, packers were in the advent of makeovers, which would continually require tweaking. Consumers' response, as judged by tonnage increases, was more than positive. However, the fox in the chicken coup was the continual mounting pressure for retail labor efficiency. Gradually, produce clerks recognized it was faster to package multiple cases of an item in one unit size with a limited amount of size variation than to have an array of several different package units. This type of regimentation would gradually turn off consumers, especially as household size began declining. Add to this the inclusion of product in mediocre condition, and by the 1970s, consumers were beginning to gradually shift their produce shopping to stores with limited in-store packaged product for both quality and convenience. Even potatoes and onions were partially displayed in bulk. Astute produce operators recognized the best of both worlds was displaying larger sizes of an item in bulk and smaller sized product packaged. Not only did the rebirth of bulk add to sales, but the reduction of higher supply and labor costs more than offset any increased shrinkage due to spoilage. This was particularly true of excessive vegetable handling and turnover problems.

With the recognition that small sizes sold best packaged also came the reality that anything small, such as bulk grapes and

berries, were also prime causes of slips or falls leading to injury, and ultimately, expensive liability claims, were leading prospects for transition to containers. The challenge was one of providing proper packaging, which at the same time would satisfy consumers with a mindset of selecting from bulk displays. Attempting to achieve a win-win result among producers, retailers and consumers was becoming an over whelming obstacle. Such solutions do not appear overnight.

One of the best examples is the use of clamshells for strawberries. Several shippers spending time evaluating retail operations recognized the potential for increasing retail sales, reducing labor costs and providing the consumer quality product throughout the entire day. The program not only worked, but eventually expanded to include nearly all formerly skeptical producers. Consumers now

readily buy clamshell packages, a vast change from the days of in-store capped pints and quarts. The interest in food safety has also been a catalyst to change consumers' interest from pick-your-own bulk berry and grape displays. The easy-to-open-and-re-close concept of the clamshell, along with product visibility has lead to greater use for small size items including other berries, cherries and boiler onions, to mention a few, as packaging producers look to identify all marketing opportunities and differentiate product variation.

However, the latest driver for delivering the consumer acceptable product is the ever increasing emphasis on the desire for traceability. In addition, the ability to clearly show country of origin (COOL), sell-by or packing date, as well as marketing messages, has brought packaging for most items back into the mainstream of consumer interest.

Will there be another cycle in produce packaging or will the evolution of advancements to meet current consumer interests continue? Ask a member of the Air Force staff at the turn of the millennium and the reply would have been the previous century was one of continuous evolution of manned high performance aircraft that is destined to continue. Now ask some of those currently making decisions about the vision for the next several decades and the anticipation is a high percentage of hot-rod seat-of-the-pants jet jockeys will be replaced by ground controllers, thousands of miles in the distance, using sophisticated technology with precision guidance.

The need for packaging is unlikely to change in the near future. The development of new materials and methodology will continue providing innovation with changing adaptations for consumers and the industry. A cycle within a cycle appears to be a reasonable expectation.

**Will there be
another cycle in
produce
packaging or
will the
evolution of
advancements
to meet current
consumer
interests
continue?**



Andreas Schindler



Andrew Sharp



Marc DeNaeyer

Lessons Learned From The Volcanic Ash:

Electronic Documentation Systems Needed

The headlines have been blasting about reopened skies in Europe. The produce and broader perishable food industry experienced great damage from the related suspension of air service.

- The lack of refrigeration facilities at the airport in the West African nation of Ghana has been a big blow to pineapple and pawpaw farmers who sell to Europe because of the lack of flights.

- In Kenya, thousands of day laborers are out of work because produce and flowers can't be exported amid the flight cancellations. Kenya has thrown away 10 million flowers — mostly roses — since the volcano eruption. Asparagus, broccoli and green beans meant for European dinner tables are being fed to Kenyan cattle because storage facilities are filled to capacity.

- In New York City's Flower District, thousands of dollars worth of tulips, peonies, daffodils and hundreds of other varieties usually come in on the Friday night flights from the Netherlands to be distributed Saturday morning. Many weddings didn't have Dutch flowers.

Andrew Sharp, Business Development Director of Mack Multiples (UK) and a member of the board of directors of PMA, sent us this note in the midst of the crisis:

Biggest issue is people stuck around the world...The produce business has a lot of travelers and there are key people stuck in far-flung places...Europe resembles a war zone with people fleeing the Dust, heading to Transit Points and traversing France.

The channel Ferries have never had it so good... this would be a good stock to buy.

The other point is that all the documents we fly around the world, bills of lading, etc., are stuck, which means we can't get to some of our fruit even though the containers are in the ports!

An electronic solution is needed desperately!

Andreas Schindler, Sales and Purchase Manager of the German produce importer, Pilz Schindler, and Director of the Don Limón brand, had this to say in the middle of the mess:

Concerning the ash-cloud here in Europe, we are affected mostly by the closing of nearly all airports in Europe. Nobody expected something like this. Even when it came up we expected maybe one day. But now we are blocked already four days.

We look at each other like... "Hey, what is going on?" Nobody has a concept for this case. And we do not know how long it will be blocked. And how it will go on after.

My brother is stuck in Madrid, and I wanted to fly to Mexico this weekend. My colleagues wanted to fly to Russia tomorrow...Everything is blocked.

The mobility of the people by air is totally interrupted. The train stations are in chaos.

The internal transport of Europe is nearly 100 percent by truck. There is not any problem.

Only exotic fruits from Latin America, Asia or Africa are blocked, such as mango and other "little" fruits. Also, the berries are not coming in.

Coming in from outside is a problem. The internal transport in Europe is not affected.

Exporters from overseas, focused on perishable fruits — transported by air — are heavily affected.

And we also received a report from Marc de Naeyer, Managing Partner of TROFI, who is based in The Netherlands. Marc had this to say:

We used to do a lot of tropicals by air in the good old days — now it is mostly grapes, pineapples, melons, mangos and avocados by sea.

Due to this shift in our business, we have been lucky so far as we do only marginal air-freight imports these days. But everybody is running out of stock quickly: the losses for growers and exporters in places like Kenya are staggering. I read an article this morning in the International Herald Tribune/New York Times, which quoted exporters losing as much as \$3 million a day in Kenya.

Kenya also exports thousands of tons of vegetables weekly (baby corn, extra fine beans, sugar snaps etc.) to the continent and the UK. Other exotic imports from places such as Brazil, Indonesia, Malaysia, etc., have also come to a standstill.

On the other end of the spectrum is the export of Dutch vegetables to nations such as the Middle East and USA, which have experienced tremendous losses.

The one major issue we, as importers of sea-freighted produce, have to deal with is the fact that DHL/FedEx et al., are not delivering our documentation from the countries of origin. Fortunately, customs and phyto-authorities are cooperating and temporarily agree to accept copies so we can get import goods cleared.

Many thanks to Andrew Sharp of Mack Multiples, Andreas Schindler of Don Limon and Marc de Naeyer of TROFI for helping to capture the experience of those caught in the midst of the battle.

Let us hope the authorities at least learn something from the disaster and move ahead with an electronic document process. **pb**

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MAY 2010

COMPANY	PAGE #	RS#	PHONE	FAX
Agrexco USA, Ltd.	24	60	718-481-8700	718-481-8710
Albert's Organics	77	20	800-899-5944	610-388-8418
Maurice A. Auerbach, Inc.	25	18	201-807-9292	201-807-9596
Maurice A. Auerbach, Inc.	70	19	201-807-9292	201-807-9596
Babe Farms, Inc.	94	13	800-648-6772	805-922-3950
Blue Book Services	67	10	630-668-3500	630-668-0303
Canadian Produce Marketing Association	45	3	613-226-4187	613-226-2984
Capital City Fruit Co., Inc.	24	25	515-981-5111	515-981-4564
Chelan Fresh Marketing	87	58	509-682-4252	509-682-5766
Christopher Ranch	71	2	408-847-1100	408-847-0581
Church Brothers, LLC	94	80	831-796-1000	831-796-1050
Ciruli Brothers	91	50	520-281-9696	520-281-1473
Classic Vidalia	103	63	800-984-3254	912-526-5526
Columbia Marketing International	85	37	509-663-1955	509-663-2231
Corona Marketing Co.	81	90	805-346-2114	805-346-8138
Curry & Company	102	66	800-929-1073	503-393-6085
DeBruyn Produce Co.	102	61	800-733-9177	956-968-1709
Del Monte Fresh Produce	116	33	800-950-3683	305-520-8495
DiMare Fresh - CA	88	45	209-862-2872	209-862-0103
Dole Fresh Fruit Company	2	6	818-879-6600	818-879-6628
dProduce Man Software	34	12	888-PRODMAN	650-712-9973
Duda Farm Fresh Foods, Inc.	102	21	800-342-DUDA	561-978-5705
Duda Farm Fresh Foods, Inc.	21	22	561-978-5714	561-978-5705
East Coast Brokers & Packers, Inc.	115	34	800-557-7751	863-869-9850
Eclipse Berry Farms, LLC	88	67	310-207-7879	310-207-7868
Eclipse Berry Farms, LLC	80	68	310-207-7879	310-207-7868
Eurofresh Farms, Ltd.	42	81	520-384-4621	520-384-4187
Family Tree Farms	63	35	866-FLAVOR-1	559-595-7795
Fisher Capespan	75	89	800-388-3074	514-737-3676
Florida Department of Agriculture	53	28	850-488-4303	850-922-0374
Freska Produce International, LLC	92	82	805-650-1040	805-650-3550
Frontera Produce	102	69	956-381-5701	956-381-5706
General Produce, Inc.	69	32	800-782-5833	404-361-1841
Giannini Packing Corp.	62	16	559-591-3758	559-591-5708
Gills Onions	33	49	800-348-2255	805-240-1932
The Giumarra Companies	97	31	559-897-5060	559-897-6733
Gourmet Specialty Imports LLC	71	51	610-345-1113	610-345-1116
David E. Grimes Co.	70	91	831-637-1499	831-636-4660
Hood River Cherry Company	94	17	541-386-2183	541-386-5025
I Love Produce LLC	71	70	610-869-2205	610-869-5711
Index Fresh of California	61	5		
Inline Plastics Corp.	56	71	800-826-5567	203-924-0370
Intergrow Greenhouses, Inc.	88	42	585-682-0052	585-682-0195
Keystone Fruit Marketing, Inc.	103	41	717-597-2112	717-597-4096
Doug Kophamer Farms	103	64	661-831-2268	661-831-2517
LGS Specialty Sales, Ltd.	73	1	800-796-2349	718-542-2354

COMPANY	PAGE #	RS#	PHONE	FAX
Mann Packing Company, Inc.	9	4	800-884-6266	831-422-5171
J. Marchini & Son / LeGrand	62	72	559-665-9710	559-665-9714
MIXTEC Group	48	27	626-440-7077	626-440-1557
Mucci International Marketing, Inc.	88	44	519-326-8881	519-326-5917
National Mango Board	93	7	877-MANGOS-1	407-629-7593
New Jersey Department of Agriculture	51	48	609-292-8853	609-292-2508
New York Produce Show and Conference	37		212-426-2218	212-779-8779
Nickey Gregory Company, LLC	65	38	404-366-7410	404-363-1169
OsoSweet Onion Co.	102	92	231-946-9696	304-342-5022
Pacific Tomato Growers/Pacific Triple E	88	94	209-835-7500	209-835-7956
Peri & Sons Farms	34	15	775-463-4444	775-463-4028
Pismo-Oceano Vegetable Exchange	94	83	805-489-5770	805-489-7058
Produce Business Marketing Excellence Award	101		561-994-1118	561-994-1610
Produce for Better Health Foundation	17	11	302-235-2329	302-235-5555
The Produce Marketing Association	32	85	302-738-7100	302-731-2409
The Produce Marketing Association	18	86	302-738-7100	302-731-2409
producepackaging.com	44	56	800-644-8729	610-588-6245
Red Blossom Farms, Inc.	23	39	805-981-1839	805-693-0032
Red Blossom Farms, Inc.	80	40	805-981-1839	805-693-0032
Roberson Onion Co.	103	87	912-375-5760	912-375-3610
SAGARPA - Embassy of Mexico	46-47	59	202-728-1729	202-728-1728
Sage Fruit Company	84	24	913-239-0060	913-239-0055
Sambrailo Packaging	57	9	831-724-7581	831-724-1403
SIAL Paris	5	65	704-365-0041	704-365-8426
Silver Creek Software	48	73	208-388-4555	208-322-3510
Simonian Fruit Co.	63	74	559-834-5307	559-834-2363
Spice World, Inc.	71	26	800-433-4979	407-857-7171
Sun World International	62	75	661-631-4160	760-398-9613
Sun-Maid Raisins	105	57	800-786-6243	
SunnyRidge Farm, Inc.	78	62	800-725-8856	863-299-7794
Tanimura & Antle, Inc.	26-27	14	800-772-4542	831-455-3915
Tennessee Dept. of Agriculture	52	46	615-837-5517	615-837-5194
Thermal Technologies, Incorporated	59	47	803-691-8000	803-691-8010
Trinity Fruit Sales	63	88	559-433-3777	559-433-3790
Uesugi Farms, Inc.	95	36	408-842-1294	408-842-0274
United Fresh Produce Association	39	8	202-303-3400	202-303-3433
Veg-Pak Produce, Ltd.	49	84	416-255-7400	416-255-3859
Vessey & Company, Inc.	71	93	888-505-7798	760-356-0137
Walla Walla Gardeners' Association, Inc.	103	55	509-525-7071	509-529-4170
Washington Fruit & Produce	89	52	509-452-8529	
Well-Pict Berries	80	29	831-722-3871	831-722-6340
Well-Pict Berries	79	54	831-722-3871	831-722-6340
West Coast Tomato, Inc.	68	43	941-722-4537	941-729-6778
West Lake Fresh	80	53	831-724-0644	831-724-0117
Yakima Fresh LLC	83	23	800-541-0394	847-685-0474
Kurt Zuhlke & Association	44	56	800-644-8729	610-588-6245

Blast from the Past



For more than 75 years, Oneonta Starr Ranch Growers has been a leading player in the Washington fruit industry, all thanks to Paul "Tommy" Thomas and his dashed dreams of become a baseball player. Following Tommy's graduation from Brown University, he was ready to go play ball for his hometown team, the Boston Red Sox. But his stepfather, G. Herbert Taylor, had other plans, and sent him to Hamburg, Germany, to learn the ins and outs of exporting fruit.

Upon his return to the United States, Tommy opened Standard Fruit, in Wenatchee, WA, which later became Oneonta Trading Company. Oneonta is a Native American word with a variety of meanings, including, "convergence," "mountain," and "rocky outcrop," all of which describe the Wenatchee area, where Tommy presided over the country's first apple exporting company.

In the 1970s, following 40 years in the business, Tommy sold his interest in Oneonta to this son, Dalton, who remains at the head of the company today. Prior to joining the family business, Dalton worked at the USDA. "I first worked for the USDA as an inspector of apples, pears, cherries, potatoes and onions," he recollects. "I started at Oneonta as a quality control person, which lasted only a month before I started selling."

Much has changed since Dalton entered the produce business, including packaging and technology. "In my early years, apples were packed in

40 net-weight cartons. Now, we have more than 30 different types of packs." What's more, "The industry has evolved as far as receivers," he adds. "In those early years, we sold to big terminal markets: Chicago, Detroit, Philadelphia, New York, Boston, Los Angeles and San Francisco. They are still a huge part of our success; however, we are now selling to more retailers in the South and Midwest." Today, 80 percent of Oneonta's volume is shipped directly to retailers.

When Dalton joined the company, Oneonta was made up of 15 grower/packers. Today, more than 60 growers harvest crop from more than 4,000 acres of Thomas family orchards. Today, Dalton runs the business with his two sons, Jim and Brad, making the company a third generation produce business. In addition to apples, Oneonta is among the Northwest's largest pear and cherry shippers and also deals with commodities such as blueberries, citrus, soft fruit, grapes and kiwis, with exports shipped to 45 countries around the world.

The accompanying photo was used in a 1960s marketing campaign to illustrate the variety of apples the company grew and shipped. Paul "Tommy" Thomas is pictured at the far right. Seated is Sid Braker, who partnered with Tommy in the early 60s to form Custom Apple Packers, packing under the Starr Ranch label. Marguerite Thomas, Dalton's mother and Tommy's wife, is third from the right.

Should you recognize any of the unidentified individuals in the photo, please write to us at the address below.

pb

The *Blast from the Past* is a regular feature of *PRODUCE BUSINESS*. We welcome submissions of your old photos, labels or advertisements along with suggested captions. Please send materials to: Editor, *PRODUCE BUSINESS*, P.O. Box 810425, Boca Raton, FL 33481-0425, or e-mail info@producebusiness.com



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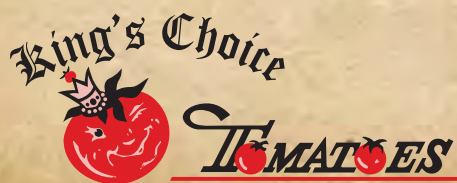
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